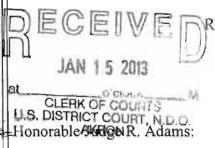
Fritz Dairy Farm LLC Mark R. Fritz & Michele E. Fritz 6301 Mackel Rd. N.E. Minerva, Ohio 44657 (330) 895-2876

January 14, 2013

United States District Court Judge John R. Adams
For the Northern District of Ohio, Eastern Division
C/o John F. Seiberling Federal Building and US Courthouse
2 South Main Street Akron, Ohio 44308



Re: Mark R. Fritz; Michele E. Frits & Fritz Dairy Farms, LLC, Plaintiffs vs. Chesapeake Exploration, LLC; Kenyon Energy, LLC & Richard Owen, Defendants Case No. 5:12: CV-01736-JRA

We may disappoint you-and most likely our current counsel. For that we are sincerely sorry. Our new counsel, Mr. Leiby and Mr. Hobson are not aware of this letter.

We are simple folks. My husband lived and worked on the family farm all of his life. My family owned a furniture store in Minerva for 47 years and my family and father grew up just a few miles from our farm during the depression. My husband was the youngest of 10 children.

We have tried to do right by our neighbors and friends and they to us. If they said they would help us out, they did, and we would do the same for them when needed. An agreement was not even a matter of a handshake. It was simply our word as to what was right and expected

A. Essential Facts Surrounding Our July 30, 2010 Kenyon Leases

Single 5 Year Lease Term; Smaller Lease Bonus;
 Refusal of Long Term Tie Up of Our Land

We expected the same from Richard Owen, Kenyon Energy and Chesapeake Exploration when we negotiated over the terms of our 2 oil and gas leases in the summer of 2010<sup>1</sup>. After six

We are unsure as to the appropriate way of submitting this letter, pleading or motion for relief to this Honorable Court. However we want Your Honor to know that all our statements in this letter are true and correct to our best understanding and belief. We have obtained and attached certified copies of certain important documents, as indicated. All text messages or emails we refer to are true and copies of those on our cell phones or computers. We

or more weeks of back and forth and different lease versions, we decided and became adamant about not wanting to lease or tie up our lands for any long period of time, certainly no longer than a single five year primary term. In spite of countless requests by Mr. Owen and others at Kenyon Energy, we made it very clear we only wanted to execute the July 27, 2010 leases that were limited to a single 5 year term. In making that decision, we understood that Kenyon proposed to offer us more lease bonus money for an additional five year option and we understood a neighbor received \$250 more per acre for a lease with a 5 year primary term and an option to renew for another or second 5 year term. That simply was not our goal or agreement.

## • Lease Forms Prepared by Kenyon Energy

As they had done previously for earlier lease drafts, Mr. Owens and Kenyon prepared the final versions of our July 30, 2010 leases, including Lease Exhibit A provisions designed to protect our lands, crops and livestock during exploration and production. One such provision prevented the lessee from using water from lands.

# • 2006 Leases with Great Lakes Energy & Single 5 Year Term

Our land is our life and livelihood and we did not want any rights to our land signed up for longer than 5 years at a time. In 2006, we made the same decision when we leased our other property to Great Lakes Energy for what we intended and understood was a single 5 year term. <sup>2</sup>. Mr. Owen knew about those leases and asked us to call him when those parcels became available in October, 2011 and he would attempt to get us the best lease terms possible.

We also felt that having the dates and terms of our leases roughly coincide would also make it easier for our farm accounting. To our knowledge, none of our lands have ever been drilled or mined for oil, gas or other minerals. In the past, we used whatever lease bonus payments we received to pay for tractor, other equipment or feed needs or commitments.

You're Honor you can see how the signature pages state the leases were prepared by Kenyon and include Exhibits A and B. And yet, the filed Kenyon Leases are missing Exhibit A

 Preparation, Execution, Notarization and Kenyon Lease Originals on July 30, 2010

About 9:00 am July 30, 2010, Richard Owen brought us two sets of original Kenyon Lease to our house. Kenyon or Mr. Owen had already prepared them in full. All originals provided for a single 5 year primary term. The provisions at the top of page 2 which otherwise created a 5 year renewal option were crossed through and lined out by Kenyon or Richard Owen when given to us that morning.

did not have the time to collect certified copies of all included documents but they are true and correct copies of the originals or filed documents.

As our misfortunes would have it, EnerVest [the successor to Great Lakes] originally thought so too but then found a sentence buried at the leases' end to dispute their 2011 termination.

31.

Mr. Owen said he had another landowner to meet about leasing their land and therefore did not want to accompany us to our bank in Minerva where we planned to have the Kenyon Leases notarized. Mark and I immediately took both original sets of those two leases to our bank in Minerva and had Mrs. Donna Kandel notarize both sets. We specifically signed our initials alongside that paragraph indicating our approval to its deletion, as reproduced above. The drive took less than 10 minutes. After we had the Kenyon Leases notarized, we called Mr. Owen who met us back at our house as we arrived. He took one original fully executed set of the Kenyon Leases. We retained the other original set. Upon leaving that morning, Mr. Owen told us their original set of the Kenyon Leases would be recorded as soon as his superiors reviewed them. He delivered us lease bonus checks drawn on Chesapeake's bank account around August 30, 2010.

# Discovery of Fraudulent Kenyon Leases

Over a year passed before we discovered that the recorded Kenyon Leases differed substantially from those we executed on July 30, 2010 and the set we retained that day. Our discovery came about in an unexpected way. During the first week of September, 2011, Elizabeth Bednar, a landman with EnerVest called us about leasing our Great Lakes lands. She also pointed out a discrepancy in the land description of the Kenyon Leases and that I could confirm that fact by viewing the Kenyon Leases filed with the Carroll County Recorder through its records link to the "LandAccess.com website". Prior to our conversation, I had never heard about that website or used that site to view the Carroll County official records.

When I [Michele] looked up the Kenyon leases on the Carroll County Records I was **shocked** to find both leases were not the originals that we had handed to Mr. Owen on July 30, 2010. Each had been changed in multiple places. Importantly, each filed Kenyon Lease included a 5 year extension option contrary to Page 2 which Kenyon or Mr. Owen had lined out and we had initialed.<sup>3</sup> The location of the 5 year extension was not even on the same page as our original set. Also, the pagination, margins, font size and paragraph spacing were different from the originals retained in our safe. There were even blanks for the state and county designations of the notary's acknowledgement of the 2nd recorded Kenyon Lease. Our retained original and even the 1st recorded Kenyon Lease had those spaces filled in.

Communication Efforts to Correct Kenyon Leases with:
 Messrs.': Owens; Phillip Lowery (President) and Dain Wise
 In Hopes of Avoiding Litigation

I immediately called Mr. Owen about changes made to our July 30, 2010 Kenyon Leases, as well as the acreage error. He finally agreed to meet us in person in early November. But because he was then working in West Virginia he would in the meantime have another Kenyon landman named Nathaniel Hammons contact us. At the meeting in our house, we confronted Mr. Owen with the specific changes made in the recorded Kenyon Leases [which I copied from the

We have attached copies of our original Kenyon Leases as Exhibit A-1 and the wrongful Kenyon Leases filed with the Carroll County Recorder as Exhibit A-2.

Carroll County Recorder's Website to show him] from those retained in our safe. His face turned beet red and left very quickly.

3.

In continued follow-up calls, Mr. Owen refused to address, explain or correct the wrongful changes. Later he chose not to answer or return our telephone calls about the filed versions of our July 30, 2010 Kenyon Leases. We became frustrated and I called Mr. Lowry, Kenyon's president, at its address in North Canton in early December, 2011. He promised to get back to us – but never did. Attached as **Exhibit B-1** is a true and correct copy of the letter we sent him.

I then tried to contact Kenyon's in-house counsel. Eventually, I spoke to Mr. Dain Wise and explained how the Kenyon Leases filed in the Carroll County records differed greatly from the leases we negotiated, signed and had notarized. Mr. Wise gave me his e-mail address and I e-mailed him about the changes in the recorded leases on December, 2011, but to no avail<sup>4</sup>. A true and correct copy of my email to him is attached as **Exhibit B-2**.

## Left With No Alternative: State Court Litigation

When we got no response about correcting and amending the recorded leases, other than the release of the one parcel, we decided to do what any natural person would do who knew they were being treated dishonestly and unfairly. We decided to seek a legal remedy, something we had never done. Michele talked to our neighbors and one neighbor in particular had a somewhat similar experience and recommended we talk to Attorney Ed Wright from New Philadelphia. He also had a lease with Kenyon and discovered that the filed one he found on "landaccess.com" was not the same as that which he and his wife had signed. Mr. Wright represented them in filing a state court lawsuit. We understand they settled right before trial. The settlement details were not filed with the court but newspaper articles picked up the story. In our efforts to find counsel to remedy the wrongs perpetrated upon us, it has appeared to us that few lawyers in Northeastern Ohio have had meaningful experience with oil and gas documents, laws and federal litigation that do not already have conflicts or other reasons for not representing landowners like us.

We employed Mr. Wright. He recommended and prepared a lawsuit for us to file in Ohio state court thinking it involved primarily state law issues as Kenyon Energy, L.L.C. was incorporated in Ohio and had its principal place of business here, our lands are located here, the subject leases were executed in the state and all people who, to our knowledge, dealt with them (landmen, notaries, Kenyon superiors, Mr. Owen etc.) live or primarily work in the state. In the midst of this, Mr. Wright who is older had knee surgery on both knees.

## • Counsel Edward Wright Inability to Practice in Federal Courts

When the defendants first sought to remove our original state court case to federal court, Mr. Wright advised us he had not practiced in federal court in a number of years and didn't feel

We have attached a copy of Michele's email to him as Exhibit "B-2"

 he could continue to represent us there. He wanted our approval for his contacting another attorney, Mr. Robert Soles, to get the case remanded back to state court. Mr. Wright spoke to Mr. Soles about adding Richard Owen to the case because in my research (Michele), I discovered that Mr. Owen and 5 other Kenyon employees/ landmen had stated they were permanent residents of Ohio in applications to become commissioned notaries in Ohio. In order to become a notary in Ohio anyone not an attorney has to be a permanent resident of the state<sup>5</sup>.

 Mr. Owen's Statement of His Being An Ohio Resident In his Ohio Notary Documents

Given that information, the higher costs of federal court litigation and perhaps other considerations, Mr. Wright thought it best for Mr. Soles to dismiss our first case. A certified copy of Mr. Owen's Ohio application and Ohio Notary Certification are attached as **Exhibit C**. Based upon the information of Mr. Owen claiming he was an Ohio resident, Mr. Whitaker filed a second state court suit against Mr. Owen, Kenyon Energy and Chesapeake Exploration.

• Mr. Owen's Affidavit Statement of His Being an Oklahoma Resident

However, the Vorys, Slater et al law firm filed a pleading in July 2010 to "remove" the state court litigation to this Honorable Court because, as we have come to understand, we, the plaintiffs live in Ohio and all the defendants are supposedly "citizens" of other states. Thus, there is complete "diversity of jurisdiction" and this Honorable Court can hear the case that is, at its core, an Ohio matter. And in support of its removal pleading, Mr. Owen filed an Affidavit on July 6, 2012, stating he was not a resident of Ohio but instead was a resident of Oklahoma. At that point Mr. Wright released himself from our case. We understood the Sholes firm was extremely busy working on another Chesapeake related litigation involving many parties and had little time for us.

 Mr. Owen's Recent Statement of His Being a West Virginia Resident in his West Virginia Notary Documents

Recently, I discovered that Mr. Owen filed documents in West Virginia in order to become a certified Notary in that state. In those documents he stated he was a resident of West Virginia.

B. Professional Relationship with Attorney Brendan Delay

Not knowing what to do, we employed Mr. Brendan Delay from a recommendation of another neighbor, Roger and Carolyn Starkey, who employed him to sue Chesapeake for not discussing with or getting their approval [as required by their lease] prior to locating a well pad site in the middle of their best corn field. Mr. Delay had some initial success in that Columbiana

<sup>6</sup> We have attached Mr. Owen's Affidavit as Exhibit "E"

The applicable forms, rules and procedures for becoming an Ohio notary are attached as Exhibit D.

in the center of their biggest corn field. Mr. Delay enjoyed some early success in that Columbiana County lawsuit when he obtained a temporary restraining order and then an injunction order against Chesapeake. But thereafter the injunction was dissolved and recently Mr. Delay lost a jury trial in that Columbiana court to the Starkey's great dismay.

Initial Relationship With Attorney Delay

Initially and through part of this past fall, we enjoyed a reasonable professional relationship with Mr. Delay. However, a number of things started to occur which caused us to question his commitment to us and his expertise and experience in federal court matters. In November our concerns greatly increased, particularly over his not having subpoenaed or taken the deposition of Mr. Owens, and not having served interrogatories and requests for document production upon Mr. Owens, Kenyon and Chesapeake. We learned about those procedures from those documents the Defendants served on us. Our growing inability to communicate with Mr. Delay, to timely review facts and documents with him, to receive from him pleadings filed with this Honorable Court and to understand the status and progress of our case caused our relationship to sour. Recently we have looked up the Ohio Rules of Professional Responsibility and as we will discuss later we believe Mr. Delay did not follow all of them in dealing with us.

• Early On, We Requested Mr. Delay Use Mr. Owen's and other Kenyon LandMen's Notary Related Documents With Respect to Jurisdictional And Credibility Issues: Particularly the following:

(a)Mr. Owens & Other Kenyon Landmen's Initial Use of Kenyon's Office Address on Notary Papers as their Personal Residential Address;
(b) Then They Used the local "Residence Inn" as their Ohio Residential Address on their Notary Papers;
(c) Recently Mr. Owen Stated on West Virginia Notary

(c) Recently Mr. Owen Stated on West Virginia Notary
Papers that He is a West Virginia Resident; and
(d) In his Affidavit toe This Honorable Court Last May,
Mr. Owen Stated He Was an Oklahoma Resident.

Important to us were the facts and documents we discovered about Mr. Owens and Kenyon's apparent practice of having its local landmen become notaries in Ohio based upon their permanent residency here<sup>7</sup>, even if they were also claiming at the same time resident status in one or more other states or would use either a local motel or Kenyon's own office as their Ohio residential address. In those regards, we requested almost at the outset of our relationship that Mr. Delay submit our findings and supporting documents to your Honor.

Ohio Revised Code Section 147.01 requires a non-attorney to be a legal resident of Ohio in order to qualify to become a notary public. ORC Section 147.02 (2) also requires an applicant to be citizen of the county in which he or she resides.

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Through additional research, I discovered the following specific inconsistent acts and documents that call into question Mr. Owen's and Kenyon's credibility:

First, Mr. Owen and other Kenyon landman stated on their notary papers they were permanent residents of Ohio. We have attached certified copies of those Ohio notary documents as **Exhibit F.** 

Second, Mr. Owens and other landmen used Kenyon Energy's office business address ("1425 S. Main St., North Canton, OH) as their own 'Ohio permanent residence address." I used that 1425 S. Main St. North Canton Ohio address to write Mr. Lowery [ its president ] and that is the Kenyon Energy address set forth in Mr. Owen's September 10, 2010 letter to us (a true and correct copy of which is **attached as Exhibit G**);

Third, Mr. Owen and Nathaniel Hammons [the Kenyon landman who Mr. Owen said would call us in October, 2011 about the unauthorized changes to our Kenyon Leases] subsequently changed their *permanent Ohio addresses* on their Ohio Notary Papers to 5280 Broadmoor Circle, North, Canton. As Mr. Owen stated in his Affidavit filed with this Honorable Court that happens to be the address of a local "Residence Inn".

Fourth, we also discovered that Mr. Owen applied and received his West Virginia Notary certification on November 9, 2012 by stating he was also a resident of West Virginia. A copy of those documents is attached as **Exhibit H.** 

Thus, from September, 2010 through 2011 and into 2012, Mr. Owens practiced his land man business for Kenyon in Ohio based upon his being an *Ohio permanent resident*; in West Virginia based upon his being a *resident* of that state; and yet supposedly at the same time being a full time or permanent *resident* of Oklahoma according to his affidavit filed before this Honorable Court.

Given our farming background, we didn't then and still don't understand how those inconsistent actions are considered as either honest or forthright and how his affidavit can properly serve as a foundation of jurisdiction before your Honor.

We compiled a list of oil and gas leases which Mr. Owens notarized just for Carroll County, Ohio in 2011and which were filed of record based upon his being a *permanent Ohio resident*. A certified copy of several of those leases is attached as **Exhibit I-1**; we request this Honorable Court take notice of all of them.

Leading up to the most recent hearing before your Honor on December 17, 2012, we requested Mr. Delay [in repeated telephone calls and text messages] to file a pleading that included these "permanent resident" and other related documents. As part of that pleading we hoped Mr. Delay would point out how Mr. Owen's irregularities and inconsistencies demonstrate how, for jurisdictional purposes, his statements are unreliable and, in any event, how he is playing fast and loose with this Honorable Court – because at the time of his affidavit, he continued his valid Ohio Notary status in furtherance of his oil and gas leasing business. We

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thought Ohio notaries are to be honorable so they can be depended upon for verifying documents and people's identities.

In spite of our repeated requests made as recent as December 14, 2012, the Friday before the Monday, December 17th hearing before your Honor, Mr. Delay never did file any such pleading.<sup>8</sup>

## Mr. Delay Failed to Conduct any Document Discovery of Defendants

We are not sophisticated in the ways of litigation. Until this case we had never been in federal court. We were not familiar with "discovery" through requests for document and email production. We did not know what was expected of us or of our then attorney Mr. Delay. We assumed he would represent us fully and adequately before this Honorable Court, in a responsible and timely manner, keep us informed of the developments and effectively prosecute our case against the wrongs perpetrated upon us. And yet, we now know that Mr. Delay tendered no production requests of Mr. Owen, Kenyon Energy and Chesapeake – while over the same period of time, the Defendants tendered production requests and interrogatories of us.

# • Mr. Delay Failed to Take the Deposition of Mr. Owen; Did Not Timely Notify or Prepare Us for Our Depositions

Neither Mark nor I had ever had our deposition taken before this case. With less than 48 hours' notice, my deposition (Michele) was taken on November 15<sup>th</sup> and Mark's deposition was taken on December 12<sup>th</sup>. Mr. Delay arrived at our house at 9:30pm on November 14, the day before my deposition. We spent the next 2 -2.5 hours finalizing our Answers to the Defendants' Interrogatories which were more than 40 days late in being answered. Mr. Delay originally arranged to be at our house around 5 pm.

Mr. Delay finally sought at 11:30 pm to prepare me for my deposition scheduled to take place in Akron the next morning at 9:00 am, an approximate 90 minute trip for us to an unfamiliar office.

However, the most important discovery in our thinking us was for our attorney, Mr. Delay, to take the deposition of Mr. Owen. We requested him repeatedly to arrange for and take his deposition in telephone calls, emails and text messages.

 Opposing Counsel Pointed Out to Us Mr. Delay's Tardey Attempts at Representing Our Interests.

At Mark's December 12<sup>th</sup> deposition we learned for the first time from Mr. McGranor's comments how late Mr. Delay was in filing our interrogatory answers and dealing with other case matters. Since the December 17<sup>th</sup> hearing, we reviewed the Defendants' two status reports [which Mr. Delay never sent us]. They point out several of his numerous delays.

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In looking back, we realized Mr. Delay failed us in his first appearance representing us in front of your Honor at the August 21st "case management conference". We were <u>HORRIFIED</u> that Mr. Delay was both late to the hearing and was unprepared to answer his Honor's questions about our case. We subsequently learned that he had never reviewed our case documents—even though he told me [Michele] 3 days before the hearing by telephone that he had received my document package. After the hearing, our package was, however, returned to us marked "undelivered."

In the package were copies of our original Kenyon Leases, the recorded Kenyon Leases, copies of all the paperwork pertaining to this case, evidence of differing amounts offered to us by Mr. Owen; copies of Mr. Owen's and 5 other Kenyon landmen's Ohio notary commissions.

In Mr. Owen's July 6 2012 Affidavit he stated that his LLC, RGOWEN & Assoc. LLC contracted with Kenyon to do land work and leasing. But that statement fails to point out that Mr. Owen did not incorporate the company until January, 2012, a year and half after negotiating our July 30, 2010 leases and over a year after becoming an Ohio notary based upon his being a permanent resident of Ohio.

Mr. Delay had all this information and certified copies of Mr. Owen's Ohio Notary Papers but failed to use them in any case discovery or even to depose Mr. Owen about his account of the Kenyon Leases' negotiations, different provisions, notarizations, telephone calls and meetings

Leading up to the December 17th hearing we again requested Mr. Delay [in repeated telephone calls and text messages] to file these "resident" related documents and hopefully point out how Mr. Owen's irregularities and inconsistencies demonstrate how, for jurisdictional and other purposes, his statements are unreliable and, in any event, he is playing fast and loose with this Honorable Court. We thought Ohio Notaries are to be honorable so they can be depended upon in verifying documents and people's identities.

Altogether, Delay just ignored our requests.

Belief Mr. Delay's Inactions Were Prejudicial to Our Case.

During November and into December, we came to believe Mr. Delay's inactions and other failures substantially prejudiced the merits of our case and the view of this Honorable Court toward it and us through no fault of our own. As a result, we attempted to locate and engage other counsel.

On December 12, 2012, the day of Mark's depositions, our suspicions were brought to light. Mr. McGranor stated that Mr. Delay had returned our answers to their interrogatories over 45 days late and he had not produced any documents until my November 15th deposition, when I volunteered my copies. Mr. Delay did not inform us about Mark's scheduled deposition until the previous day, December 11, while driving to Minerva for the deposition of the person who notarized our Kenyon Leases. Prior to that call, he hadn't even informed us of her deposition being taken. In retrospect it would have been more convenient for all parties to depose Mark at the same time of the bank notary in Minerva.

On Thursday December 13, I contacted the Clerk of Courts Office for the Akron Office of the Northern District of Ohio and spoke to Heidi, asking how I could enter our "Discovery", as to our side of the case in the record. I understood that all "discovery" had to be filed by midnight Friday, December 14. She put me on hold to speak either to your Honor or your law clerk. She said to file any such "Discovery" we would have to release our attorney and represent ourselves. I tried to get in touch with Mr. Delay both that Thursday and Friday, but to no avail. I left a Thursday voicemail stating I wanted to meet him at the Clerk of Courts office the next morning, in order to enter this information into the record before the cut-off time.

Our schedules presented their own issues. Mark had 2 MRI's scheduled for that Friday morning at Mercy Medical Hospital; so I made arrangements for a friend to pick him up when his procedures were done and bring him to Akron. Mr. Delay never returned my telephone calls or messages those two days as well on Saturday.

In early December, we determined to seek other counsel who had significant federal court litigation and some oil and gas experience. However, we didn't know any attorneys or firms that were not otherwise too busy or conflicted. An out of state attorney we had come across earlier sought to help us find suitable counsel. Although not knowing our case's details, he had a hunch that we made need new counsel because our case seemed to be suffering from my description of Mr. Delay's inattention. He researched and then contacted several firms. But they had conflicts, time restraints or other problems preventing their getting involved. Finally, he discovered and put us in touch with Mr. Hobson.

The next day, December 14<sup>th</sup>, Attorneys Hobson and Leiby briefly met with me while I was in Akron. They advised me they could not represent us until we released or terminated Mr. Delay and that with such short notice they could not realistically get up to speed on all important events, details, documents and the case itself and were doubtful they could effectively represent us at the Monday hearing due to such short notice and the lack of actions taken by Mr. Delay. Although Mr. Hobson ultimately agreed to appear before your Honor once the firm was free to represent us, he became sick over-night Sunday and Mr. Leiby substituted Monday morning, at the last moment.

I e-mailed Mr. Delay on Saturday, December 15, 2012 advising him that we had terminated him as our counsel and requesting him not to appear in court at Monday's hearing. We did not want Mr. Delay to be present at, represent us or be able to speak on our behalf at the hearing. We felt he would only try to color matters to his benefit.

At the hearing and after Mr. Leiby requested a continuance as our newly hired counsel Mr. Delay, to our bewilderment, took over the lectern. He then re-directed everyone's attention away from his failures and inactions to some settlement efforts of his that even Mr. McGranor was not really aware of. Mr. Delay did not advise us over the previous week-end of any such settlement discussions or the existence of a December 14<sup>th</sup> dated "settlement letter" and about which he spoke of to your Honor. He only handed a copy of it to us shortly before the hearing<sup>9</sup>.

While claiming he had already mailed the December 14<sup>th</sup> to us on the 14th—the copy we eventually received had a December 17<sup>th</sup> post mark.

We felt ambushed by Mr. Delay and his attempt to force a settlement upon us, regardless of its contents or its effect upon our Original Kenyon Leases or the fraudulent Kenyon Leases filed in Carroll County. As we will discuss shortly, the proposed settlement offered us an outcome worse than if we accepted the fraudulent Kenyon Leases and never brought this lawsuit. It would also prevent us from defending our reputation in the community; discussing the merits and outcome of this litigation anyone other than our attorneys, including commenting to the State Bar Association or our neighbors about our litigation experience with Mr. Delay<sup>10</sup>

C. Settlement Documents; Significant Downside For Us; Necessary Parties to Resolve Issues; Lack of Jurisdiction Due to Lease Arbitration Clause and/or Diversity Issues

The week before our last hearing on December 17, 2012 before your Honor was very stressful on a number of fronts. With respect to this case, the Defendants took the deposition of my husband, Mark Fritz, on Wednesday, December 12<sup>th</sup>. As previously pointed out, did not receive notice of its being scheduled but approximately 24 hours in advance. We had requested Mr. Delay have the deposition taken of Mark in Minerva or Carrollton to minimize the time away from the farm and to avoid extra travel to Akron. Mr. Delay initially agreed the December 11<sup>th</sup> morning – so I arranged for a deposition place in Carrollton – only to have Mr. Delay agree to its being taken the next morning in Akron- and lying to me the same day of his earlier agreement.

We were also very much concerned over Mr. Delay's not have taken Mr. Owen's deposition in spite of our numerous reminders and requests to do so and our fear that a failure to do so before the December 17<sup>th</sup> hearing would pose problems. I also was concerned that Mr. Delay had not undertaken other discovery of the Defendants and that we may be barred from submitting evidence or my "discovery" of Mr. Owen's continuing Ohio Notary status based upon his being a permanent Ohio resident and his affidavit to your honor that he was a permanent resident of Oklahoma in spite of his continuing to live in Ohio hotel/motels and doing land man work for Kenyon here and in West Virginia.

When Mr. Delay did not return any of my telephone calls or text messages from Wednesday of that week onward to December 17<sup>th</sup>, I decide to try to accomplish the equivalent by contacting the District Court's Clerk's Office about how to file "discovery"—my name for all the documents concerning Mr. Owens and Kenyon Energy's notary practices, among others. That proved unfeasible given the distances involved, my lack of knowledge of the appropriate methods and procedures; time constraints; our desire to employ new counsel who could and would represent our interests fully; and, as it turned out, my need to terminate Mr. Delay's employment via email instead of my mail or a meeting.

We have summarized those matters in Exhibit J.

On top of those issues, I was concerned over my husband's severely degenerative arthritic lower back, his MRIs scheduled for that Friday and his recent epidurals which had produced no real improvement for him.

Over the Saturday and Sunday proceeding December 17<sup>th</sup>, I sent Mr. Delay an email message terminating his employment/representation of us and requesting him not to attend Monday's hearing; sought to finalize the employment of the Leiby firm to represent us going forward; and to prepare for the hearing before you honor. Mr. Delay never called us that weekend to discuss our dissatisfaction and termination of his services; what happened after Mark's deposition on December 12<sup>th</sup>; were there any settlement developments; and what would occur at Monday's hearing – something we expected would occur. Instead we heard nothing from Mr. Delay until Monday morning outside your Honor's Courtroom when he handed us a letter dated the previous Friday, December 14<sup>th</sup> and from which he read to his Honor. As we previously said, Mr. Delays seizing the lectern and averting all issues leading up and concerning our termination of his services surprised us. And what happened afterwards bewildered us to the point of our being terribly disappointed and exhausted with everything.

Once we returned home, collected our senses and viewed the proposed documentation submitted to us by Chesapeake we came to the only conclusion possible that we were again being taken advantaged up. The terms and provisions of the settlement proved worse not only than our Original Kenyon Leases but also the fraudulent ones filed in Carroll County.

- \* Under our Original Kenyon Leases, if Kenyon, Chesapeake or a successor lessee did not drill a well within the 5 year primary term, the leases were terminated for all purposes.
- \* Under the fraudulent Kenyon Leases, if Kenyon, Chesapeake or a successor lessee did not drill a well within the 5 year primary term, the leases could be renewed for an additional five year period provided we were paid the same lease bonus we received upon signing the leases in July, 2010.

# \* 5 Year Primary Term Extended to 7 Years

Under the proposed Settlement, if Kenyon, Chesapeake or a successor lessee did not drill a well within the 5 year primary term, the leases would not terminate and we would not have to be paid another lease bonus; instead the proposed language extends the primary term another two years. So, instead of having a 5 year initial primary term, Chesapeake proposes we accept an additional 2 years. If that was what your Honor thought we agreed to on December 17<sup>th</sup>, the terminology and understanding of the contractual effect became mixed—and we did not intend to agree to that result and we will not agree to it upon needed reflection. To accept that result, we would be worse off than we were before we filed this suit.

• Amended (and restated) Lease and Ratification Agreement Proposed

Additionally Chesapeake insists that we execute an Amended Lease and a Ratification type document a <u>ratification agreement was not discussed</u> to our knowledge in court on the 17<sup>th</sup>. And <u>we did not agree</u> to a ratification agreement and certainly not of the sort proposed recently by Chesapeake.

 Amended Lease and Ratification Agreement Creates New Right for Chesapeake to Drill for and Use Water from our Lands

Further, Chesapeake has included provisions in the Amended Lease and Ratification Agreement that permits it, for the first time, to drill and use water from our lands. Again, to our knowledge no right to drill and use water from our lands was discussed in court on the 17<sup>th</sup>. And we did not agree to it.

 The Ratification Agreement Includes CHK Utica and Total US E &P as Signees- When They are not Parties to this Case

Chesapeake's proposed <u>Ratification Agreement also provides for CHK Utica</u>, <u>LLC and TOTAL U.S. E & P, LLC be included as named lease signees</u>. We have signed no agreement with either of those entities and, at this moment, they are not parties to this proceeding, even though upon our review of the Carroll County Records, they are probably needed to resolve the issues presented by our complaint.

 Review of Carroll County Records in Light of Amended Lease & Ratification Agreement Shows Beldon & Blake, an Ohio Corporation, is an Owner Of Our Lease Which Under 28 USC 1332 Destroys Diversity

Chesapeake's proposed Amended Lease and Ratification Agreement's inclusion of CHK Utica, LLC and Total US E& P as newly named parties caused us to review the Carroll County Records which show that Kenyon and Chesapeake Energy conveyed either all or virtually all their ownership interests in our Kenyon Leases to CHK Utica, LLC; Total US E&P, CGas Properties, LP and **Belden & Blake Corporation** pursuant to Assignments, Bill of Sale and Conveyances dated to be effective either as of November 1, 2011. Those assignments were recorded in Volume 77-Page 646; Volume 82-Page 2502 of the Carroll County Records. Since Beldon & Blake was an effective owner of our Kenyon Leases as of November 1, 2011, their being a necessary party to resolve the title, ownership, terms and provisions of our Kenyon Leases would destroy the Honorable Court's diversity of jurisdiction. The proposed Settlement Agreements are attached as **Exhibit K**.

Lack of Jurisdiction Due to Kenyon Leases' Arbitration Provisions

Your Honor, we re-read the July 30, 2010 Kenyon Leases we signed and also the ones filed in Carroll County as part of review of the proposed Settlement Agreement documents – to which we do not and cannot agree for among other reasons those stated in this letter. In doing so, we happened upon ARBITRATION PROVISIONS IN EACH

LEASE WHICH REQUIRE ARBITRATION OF ANY DISPUTE OF THE LEASE TERMS AND PERFORMANCE, AS FOLLOWS:

"ARBITRATION: In the event of disagreement between Lessor and Lessee concerning this Lease ......, the resolution of all such disputes shall be determined by arbitration in accordance with rules of the American Arbitration Association. Arbitration shall be the exclusive remedy and cover all disputes, including but not limited to, the formation, execution, validity and performance of the Lease and Order of Payment."

Thus, in conclusion, we respectively request this Honorable Court to recognize that the proposed settlement documents do not encompass or require our agreement; that because of the aforementioned stress, change of circumstances, twilight zone of our being between counsel, and the terms of the settlement agreement being to our disadvantage, we did not settle on those grounds and do not agree to settle with Mr. Owen, Chesapeake and Kenyon Energy. Further, we believe this Honorable Court's Jurisdiction is not effective due to either other parties, including a Ohio corporation (as opposed to a limited liability company) [Belden & Blake] being a necessary party to resolve all disputes involving the Kenyon Lease and further and finally because the Kenyon Leases include clauses that require Arbitration to resolve lease disputes like the instant ones. Had Mr. Delay informed us of those arbitration provisions we would not have brought this action.



Cc: We are mailing a copy of this letter and all attachments today, Tuesday, January 14, 2012 via first class mail to:

Mr. Graynor, Vorys, Slater, Seymour, 52 East Gay Street, PO Box 1008, Columbus, Ohio;

Mr. Brandon Delay, 24500 Center Ridge Road, Suite 160, West Lake, Ohio 44145; and to

Mr. Steven Leiby, 388 S. Main Street, Suite 402, Akron, Ohio.44311

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## PAID-UP OIL & GAS LEASE

Lease No.

04/10 - OH

This Lesse, made this 27th day of July, 2010, by and between Fritz Dairy Farms, LLC, of 6301 Mackel Rd., Minerva, OH 44657, hereinafter collectively called "Lessor." and Kenyon Energy LLC, 1425 S. Main St., North Canton, OH 44720, hereinafter called "Lessee".

WITNESSETH, that for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessoe agree as follows:

LEASING CLAUSE. Lessor bereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their liquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data sequisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment; to use and occupy the subsurface for a wellbore or wellbores to drill across, through and under the Leasehold.

DESCRIPTION. See Exhibit B for lands described in AUGUSTA and WASHINGTON Township, CARROLL County, OHIO

Township 015N; Range 005W; Section:29 Parcel #: 0100063000 Township 014N; Range 005W; Section:29 Parcel #: 3400296009 Township 014N; Range 005W; Section:29 Parcel #: 3400296010

# See attached Exhibit 'A' which is unrecorded and Exhibit 'B' attached hereto and made a part hereof.

and described for the purposes of this agreement as containing a total of 102.8200 Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of FTVE (5) years from 12:00 A.M. July 27, 2010 (effective date) to 11:59 P.M. July 27, 2015 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term. EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lesse for one additional term of five (5) years from the expiration of the primary term of this Lesse; said extension to be under the same terms and conditions as contained in this Lesse. Lessee may exercise this option to extend this Lesse if on an before the expiration date of the primary term of this Lesse, Lessee pays or tenders to the Lessor or to the Lessor's aredit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lesse Term clause extends this Lesse beyond the primary term.

NO AUTOMATIC TERMINATION OR FORFEITURE (A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasenold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).

(B) LIMITATION OF FORFEITURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that

may be due under the terms of this Lease.

<u>PAYMENTS TO LESSOR</u>. In addition to the bonus paid by Lessee for the execution hereof, Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

- (A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.
- (B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:
- OIL: To deliver to the credit of Lessor a Royalty equal to one-eighth (1/8) of the net revenue realized by Lessee for all oil and any constituents thereof produced and marketed from the Leasehold, less the cost to transport, handle, separate, meter, treat, process and market the oil.
- 2. GAS: To pay Lessor an amount equal to one-eighth (1/8) of the net revenue realized by Lessee for all gas and the constituents thereof produced and marketed from the Leasehold, less the cost to transport, gather, dehydrate, compress, market, meter, treat and process the gas and any losses in volumes to point of measurement that determines the revenue realized by Lessee. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).
- (C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that is awaiting completion (such as hydraulic fracture stimulation), or that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.
- (D) SHUT-IN: In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.
- (E) DAMAGES: Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.
- (F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and

payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.

- (G) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.
- (H) TITLE: If Lessee receives evidence that Lessor does not have title to all or any part of the rights herein leased, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.
- (I) LIENS: Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means. In the event the leased lands are encumbered by a prior mortgage, then, notwithstanding anything contained herein to the contrary, Lessee shall have the right to suspend the payment of any royalties due hereunder, without liability for interest, until such time as Lessor obtains at its own expense a subordination of the mortgage in a form acceptable to Lessee.
- (J) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessee has or will negotiate with any other lessor/oil and gas owner.
- (K) PAYMENT REDUCTIONS: If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease, and the local property tax assessment calculation of the lands covered by the Lease, or the deeded acreage amount, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

FACILITIES. Lessee shall not drill a well on the Leasehold within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

DISPOSAL AND INJECTION WELLS. Lessor hereby grants to Lessee the right to drill wells and/or reenter existing wells, including necessary location, roadway and pipeline easements and rights of way, on any part of
the Leasehold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata, other
than a potable water strata, of air, gas, brine, completion and production fluids, waste water and any hydrocarbon
related substances from any source, including, but not limited to wells on the Leasehold or lands pooled or unitized
therewith or from properties and lands outside the Leasehold or lands pooled or unitized therewith, and to conduct all
operations as may be required, for so long as necessary and required by Lessee for purposes as herein provided. If,
at the expiration of the primary term, Lessee is disposing and/or injecting into any subsurface strata underlying the
Leasehold or lands pooled or unitized therewith or conducting operations for such disposal and/or injection and this
lease is not being maintained by any other provision contained herein and no other payments are being made to
Lessor as prescribed hereunder, Lessee shall pay to Lessor the sum of one thousand dollars (\$1,000.00) per year,

proportionately reduced to Lessor's ownership in the Leasehold and surface as it bears to the full and undivided estate, beginning on the next anniversary date of this Lease and said payment and term of this Lease, insofar as to terms and provisions contained herein applicable to disposal and injection wells, shall continue annually thereafter for so long as necessary and required by Lessee for purposes as herein provided and until all disposal and/or injection wells located on the Leasehold or on lands pooled or unitized therewith are plugged and abandoned, Lessor agrees that if required by Lessee, regulatory agency or governmental authority having jurisdiction, Lessor shall enter a separate Disposal and Injection Agreement with Lessee for the purposes as herein provided.

TITLE AND INTERESTS. Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless

be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

COVENANTS. This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessee has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this Lease or any continuation or extension thereof. Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease or the associated Order of Payment, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive remedy and cover all disputes, including but not limited to, the formation, execution, validity and performance of the Lease and Order of Payment. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessee is embodied herein and in the associated Order of Payment (if any). No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

TITLE CURATIVE. Lessor agrees to execute affidavits, ratifications, amendments, permits and other instruments as may be necessary to carry out the purpose of this lease.

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered, provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

SUCCESSORS. All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns

FORCE MAJEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure.

SEVERABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease.

<u>COUNTERPARTS</u>. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

See attached Exhibit 'A' which is unrecorded and Exhibit 'B' attached hereto and made a part hereof.

IN WITNESS WHEREOF, Lessor hereunto sets	s hand and seal.	
Fritz Dairy Farms, LEC		
Mach Downer		
Document prepared by: Kenyon Sne gy LLC, 1425 S. Mi	am St., North Canton, O.	H 44720
CORPORATE ACI	KNOWLEDGEME	NT
STATE OF Ohio	_ )	
COUNTY OF GARGO	) SS:	
	iself to be the Owner of Fr oing instrument for the pur	
IN WITNESS WHEREOF, I here into set my hand and official seal.		Donna J. Kandel Notary Public, State Of Ohio
My Commission expires:	9-25-10	My Commission Expires Sept. 25, 201
Signature/Notary Public:	Doma Jok	m del
Name/Notacy Public (print):	Dona JK	andel
Recorder: Return to Kenyon Energy LLC 1425 S. Main St. N	North Canton, OH 44720	

#### EXHIBIT "A"

This Exhibit "A" is attached to and made a part of that certain Oil and Gas Lease dated July 27, 2010, by and between Fritz Dairy Farms, LLC, as Lessor, and Kenyon Energy LLC, as Lessoe. If any of the following provisions conflict with or are inconsistent with the printed provisions or terms of this Lease, the following provisions shall control.

FENCE: Upon Lessor's written request, Lessee shall at its sole cost, expense, and design install fencing for the protection of livestock around any well site(s), tank battery (les) or facility (les) installed on the leased premises by Lessee provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations.

GATE: Upon the written request of Lessor, Lessee shall install at its sole cost and expense a gate at the entrance of any road constructed by Lessee on the leased premises provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations.

DAMAGES: Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations, Lessee agrees to pay Lessor at a reasonable rate for all surface damages caused by Lessee's operations to growing crops, trees and timber.

LOCATION APPROVAL: Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations, Lessee and Lessor to mutually agree on all drill site, pipeline and access road locations, consent not to be unreasonably withheld, delayed or conditioned by Lessor.

MARKET ENHANCEMENT: It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction, directly or indirectly, for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements.

FREE GAS - Annual Payment of \$2,000 in Lieu of Free Gas Clause: If, and only if, Lessor is entitled to receive free gas, whether by virtue of the ownership of the surface of the leased premises and either all the oil and gas underlying the same, or an undivided interest in the oil and gas underlying the same, or the express record title right to receive free gas, then upon approval of Lessor's written request for free gas, and after Lessor has obtained 100% written consent from all owners having the legal right to receive revenue from a productive well on the leased premises, and Lesser's execution of Lessee's Delivery of Free Gas and Overburn Gas Agreement, one (1) Lessor may lay a line to any one (1) producing gas well on the leased premises and take up to one hundred thousand (100,000) cubic feet of gas during any single twelve (12) month period for domestic use in one currently existing primary dwelling owned at all times by Lessor and located within a one thousand (1,000') foot radius from said well on the leased premises; subject, however to such well being capable of producing in commercial quantities and of commercial quality suitable for domestic use; the existence and availability of a local distribution company willing to administer, control, monitor, and service such free gas usage to the specifications and requirements of Lessee; and subject further to the use, maintenance, operation, production, limited deliverability, and right of shut-in and/or plugging and abandonment by Lessee of its well(s), equipment and pipelines on the leased premises. Lessor shall secure such gas by service line laid to and connected to such well on said leased premises in accordance with all applicable laws, rules and regulations, the point of connection to be designated by Lessee and Lessor shall assume the entire risk and all expenses associated with securing and using such gas and agrees, to the fullest extent of applicable law, to release and indemnify Lessee from and against any and all claims or causes of action arising therefrom or relating thereto. If Lessor in any year uses gas in excess of the quantity provided for herein, Lessor shall pay for all overburn gas at the current established retail rate in the area or at the rate charged by the local distribution company administering the free gas usage, but Lessee assumes no obligation to furnish Lessor with gas in excess of the quantity provided herein. The measurement and regulation of such gas shall be by meter regulators furnished by Lessor, subject to Lessee's approval, and set at the tap on the well. Notwithstanding the foregoing provisions, in the event the leased premises are made a part of a unit or pooled with other acreage and the well(s) has been drilled on another lease, the Lessor hereunder will not be entitled to use wellhead gas, free or otherwise. The rights granted herein related to free gas are not assignable or transferable to a party not currently owning an interest in the leasehold premises. Notwithstanding the foregoing, the specific terms and conditions of free gas use shall be governed and controlled by the Agreement for Delivery of Free Gas and Overburn Gas. Lessee shall be fully relieved of any further obligation to provide free gas or alternative payment to Lessor if any of the conditions provided hereinabove are not satisfied. At the time application is made for free gas, Lessee shall have the option to make an annual cash payment to the qualified applicant(s) of One Thousand and 00/100 Dollars (\$2,000.00) in lieu of providing free gas and said sum shall thereafter permanently discharge Lessee's obligation under this Lesse to provide gas free of cost to Lessor, his successors, heirs and assigns.

	D FOR IDENTIFICATION ONLY:	
Fritz l	airy Farms, LLC	
By: M	rk R. Fritz, Owner	

## EXHIBIT "B"

This Exhibit "B" is attached to and made part of that certain Oil and Gas Lease dated 7/27/2010, by and between Fritz Dairy Farms, LLC of 6301 Mackel Rd. Minerva, OH 44657 as Lesser and Kenyon Energy LLC, 1425 S. Main St., North Canton, OH 44720, as Lessee, and is made a part of said lease as if incorporated therein.

Property Tax Parcel Identification Number: 01-00063,000

and is bounded formerly or currently as follows:

On the North by lands now or formerly of
On the East by lands now or formerly of
On the South by lands now or formerly of
On the West by lands now or formerly of
Rowlands

Including lands acquired from Wilson Lee Buxton, by virtue of deed dated 10/13/09, and recorded in Book 56, Page 990 and described for the purposes of this agreement as containing a total of 92.5880 Leasehold acres

Property Tax Parcel Identification Number: 34-00296.009

and is bounded formerly or currently as follows:

On the North by lands now or formerly of Small Tracts
On the East by lands now or formerly of Small Tracts
On the South by lands now or formerly of Carroll County
On the West by lands now or formerly of Kinsington Road

including lands acquired from Charles D. Carter, Inc., by virtue of deed dated 08/19/09, and recorded in Book 55, Page 886 and described for the purposes of this agreement as containing a total of 5.1160 Leasehold acres

Property Tax Parcel Identification Number: 34-00296.010

and is bounded formerly or currently as follows:

On the North by lands now or formerly of Small Tracts
On the East by lands now or formerly of Carroll County
On the West by lands now or formerly of Kinsington Road

including lands acquired from Charles D. Carter, Inc., by virtue of deed dated 08/19/09, and recorded in Book 55, Page 886 and described for the purposes of this agreement as containing a total of 5.1160 Leasehold acres

SIGNED FOR IDENTIFICATION ONLY:

Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 24 of 182. PageID #: 262



#### PAID-UP OIL & GAS LEASE

Leave No.

04:10: OH

This Lease, made this 27th day of July, 2010, by and between Mark R. Fritz and Michelle E. Fritz, husband and wife, of 6301 Mackel Rd. NE. Minerva, OH 44657, bereinafter collectively called "Lessor," and Kenyon Energy LLC, 1425 S. Main St., North Canton, OH 44720, hereinafter called "Lessee".

WITNESSETH, that for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with emitting from, or produced originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their liquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment; to use and occupy the subsurface for a wellbore or wellbores to drill across, through and under the Leasehold.

DESCRIPTION. See Exhibit B for lands described in AUGUSTA Township, CARROLL County, OHIO

Township 015N; Range 005W; Section:30 Parcel #: 0100108000 Township 015N; Range 005W; Section:30 Parcel #: 0100427001

# See attached Exhibit 'A' which is unrecorded and Exhibit 'B' attached hereto and made a part hereof.

and described for the purposes of this agreement as containing a total of 39.4635 Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of FIVE (5) years from 12:00 A.M. July 27, 2010 (effective date) to 11:59 P.M. July 27, 2015 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled unitized therewith, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled unitized therewith, or (iv) if the Leasehold or lands pooled unitized therewith, or (iv) if the Leasehold or lands pooled unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.



EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for dditional term of five (5) wear, from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this i. credit an amount equal to the initial consideration given for the Lessee's sule discretion and may be invoked by Lessee where no other alternative of the Lesse Term clause extends this Leave beyond the primary torns 0

NO AUTOMATIC TERMINATION OR FORFEITURE

(A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well-shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to. activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frae, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).

(B) LIMITATION OF FORFEITURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee. including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease

PAYMENTS TO LESSOR. In addition to the bonus paid by Lessee for the execution hereof. Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

- (A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.
- (B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:
- 1. OIL: To deliver to the credit of Lessor a Royalty equal to one-eighth (1/8) of the net revenue realized by Lessee for all oil and any constituents thereof produced and marketed from the Leasehold, less the cost to transport, handle, separate, meter, treat, process and market the oil.
- 2. GAS: To pay Lessor an amount equal to one-eighth (1/8) of the net revenue rentized by Lessee for all gas and the constituents thereof produced and marketed from the Leasehold, less the cost to transport, gather, dehydrate, compress, market, meter, treat and process the gas and any losses in volumes to point of measurement that determines the revenue realized by Lessee. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).
- (C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that is awaiting completion (such as hydraulic fracture stimulation), or that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease. Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.
- (D) SHUT-IN: In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasehold or lands pooled/unitized therewith. Lessee shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework. stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months. this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.
- (E) DAMAGES: Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.
- (F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and

X welled

payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday. Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.

(G) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation. Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.

(H) TITLE: If Lessee receives evidence that Lessor does not have title to all or any part of the rights berein leased. Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.

(I) LIENS: Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Lessehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means. In the event the leased lands are encumbered by a prior mortgage, then, notwithstanding anything contained herein to the contrary. Lessee shall have the right to suspend the payment of any royalties due hereunder, without liability for interest, until such time as Lessor obtains at its own expense a subordination of the mortgage in a form acceptable to Lessee.

(J) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessee has or will negotiate with any other lessor oil and gas owner.

(K) PAYMENT REDUCTIONS: If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest hears to the whole and undivided fee.

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit drilling operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease, and the local property tax assessment calculation of the lands covered by the Lease, or the deeded acreage amount, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

FACILITIES. Lessee shall not drill a well on the Leasehold within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production. Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/arc used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

DISPOSAL AND INJECTION WELLS. Lessor hereby grants to Lessee the right to drill wells and/or reenter existing wells, including necessary location, roadway and pipeline easements and rights of way, on any part of
the Leasehold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata, other
than a potable water strata, of air, gas, brine, completion and production fluids, waste water and any hydrocarbon
related substances from any source, including, but not limited to wells on the Leasehold or lands pooled or unitized
therewith or from properties and lands outside the Leasehold or lands pooled or unitized therewith, and to conduct all
operations as may be required, for so long as necessary and required by Lessee for purposes as herein provided. If,
at the expiration of the primary term, Lessee is disposing and or injecting into any subsurface strata underlying the
Leasehold or lands pooled or unitized therewith or conducting operations for such disposal and/or injection and this
lease is not being maintained by any other provision contained herein and no other payments are being made to
Lessor as prescribed hereunder. Lessee shall pay to Lessor the sum of one thousand dollars (\$1,000,00) per year.

proportionately reduced to Lessor's ownership in the Leasehold and surface as it bears to the full and undivided estate, beginning on the next anniversary date of this Lease and said payment and term of this Lease, insofar as to terms and provisions contained herein applicable to disposal and injection wells, shall continue annually thereafter for so long as necessary and required by Lessee for purposes as herein provided and until all disposal and/or injection wells located on the Leasehold or on lands pooled or unitized therewith are plugged and abandoned. Lessor agrees that if required by Lessee, regulatory agency or governmental authority having jurisdiction. Lessor shall enter a separate Disposal and Injection Agreement with Lessee for the purposes as herein provided.

TITLE AND INTERESTS. Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

COVENANTS. This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessee has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this Lease or any continuation or extension thereof. Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer. Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease or the associated Order of Payment, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive remedy and cover all disputes, including but not limited to, the formation, execution, validity and performance of the Lease and Order of Payment. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessee is embodied herein and in the associated Order of Payment (if any). No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

TITLE CURATIVE, Lessor agrees to execute affidavits, ratifications, amendments, permits and other instruments as may be necessary to carry out the purpose of this lease,

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leasehold. Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

SUCCESSORS. All rights, duties, and habilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

FORCE MAJEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure.

SEVERABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease.

COUNTERPARTS. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

See attached Exhibit 'A' which is unrecorded and Exhibit 'B' attached hereto and made a part hereof.

IN WITNESS WHEREOF, Lessor hereu	nto sets hand and seal.	
Mark R Had Mark R. Fritz Michelle E. Fritz	(Sent)	
Document prepared by Kenyon Energy 1.1.C. 142	5 S. Main St. North Canton	OH 44720
ACKN	OWLEDGEMENT	
STATE OF OAD	V	
Carrell	1.35:	
COENTROL CAROLL		
		understaned officer, personally appeared
Mark R. Fritz and Michelle E. Fritz, husband an		
known to me (or satisfactorily proven) to be the person acknowledged that they executed the same for the purp		cribed to the within instrument, and
IN WITNESS WHEREOF, I here unto set my hand a	nd official scal	Donna J. Kandel Notary Public, State Of Ohio
My Commission Expire	9-25-10	My Commosion Expires Sept. 25, 201
Signature Notary Public	Doma It	andel
Name Notary Public sp	mi Donna Je	Kandel
Recorder Return to Kenyon Energy LLC, 1425 S. Ma	m-St., North Canton, Old 4472	Q

#### EXHIBIT "A"

This Exhibit "A" is attached to and made a part of that certain Oil and Gas Lease dated July 27, 2010, by and between Mark R. Fritz and Michelle E. Fritz, husband and wife, as Lesser, and Kenyon Energy LLC as Lessee. If any of the following provisions conflict with or are inconsistent with the printed provisions or terms of this Lease, the following provisions shall control.

FENCE; Upon Lessor's written request, Lessee shall at its sole cost, expense, and design install fencing for the protection of livestock around any well site(s), tank battery (ies) or facility (ies) installed on the leased premises by Lessee provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations.

GATE: I pon the written request of Lessor, Lessee shall install at its sole cost and expense a gate at the entrance of any road constructed by Lessee on the leased premises provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations.

DAMAGES: Provided that Lessor is the current surface owner of the affected funds at the time of Lessee's surface operations. Lessee agrees to pay Lessor at a reasonable rate for all surface damages caused by Lessee's operations to growing crops, trees and timber.

LOCATION APPROVAL: Provided that Lessor is the current surface owner of the affected lands at the time of Lessee's surface operations. Lessee and Lessor to mutually agree on all drill site, pipeline and access road locations, consent not to be unreasonably withheld, delayed or conditioned by Lessor.

MARKET ENHANCEMENT: It is agreed between the Lessor and Lessee that, notwithstanding any language herein to the contrary, all oil, gas or other proceeds accruing to the Lessor under this Lease or by state law shall be without deduction, directly or indirectly, for the cost of producing, gathering storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products produced hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessor's actual cost of such enhancements.

FREE GAS - Annual Payment of \$2,000 in Lieu of Free Gas Clause: If, and only if, Lessor is entitled to receive free gas, whether by virtue of the ownership of the surface of the leased premises and either all the oil and gas underlying the same, or an undivided interest in the oil and gas underlying the same, or the express record title right to receive free gas. then upon approval of Lessor's written request for free gas, and after Lessor has obtained 100% written consent from all owners having the legal right to receive revenue from a productive well on the leased premises, and Lessor's execution of Lessee's Delivery of Free Gas and Overburn Gas Agreement, one (1) Lessor may lay a line to any one (1) producing gas well on the leased premises and take up to one hundred thousand (100,000) cubic feet of gas during any single twelve (12) month period for domestic use in one currently existing primary dwelling owned at all times by Lessor and located within a one thousand (1,000') foot radius from said well on the leased premises; subject, however to such well being capable of producing in commercial quantities and of commercial quality suitable for domestic use; the existence and availability of a local distribution company willing to administer, control, monitor, and service such free gas usage to the specifications and requirements of Lessee; and subject further to the use, maintenance, operation, production, limited deliverability, and right of shut-in and/or plugging and abandonment by Lessee of its well(s), equipment and pipelines on the leased premises. Lessor shall secure such gas by service line laid to and connected to such well on said leased premises in accordance with all applicable laws, rules and regulations, the point of connection to be designated by Lessee and Lessor shall assume the entire risk and all expenses associated with securing and using such gas and agrees, to the fullest extent of applicable law, to release and indemnify Lessee from and against any and all claims or causes of action arising therefrom or relating thereto. If Lessor in any year uses gas in excess of the quantity provided for herein, Lessor shall pay for all overburn gas at the current established retail rate in the area or at the rate charged by the local distribution company administering the free gas usage, but Lessee assumes no obligation to furnish Lessor with gas in excess of the quantity provided herein. The measurement and regulation of such gas shall be by meter regulators furnished by Lessor, subject to Lessee's approval, and set at the tap on the well. Notwithstanding the foregoing provisions, in the event the leased premises are made a part of a unit or pooled with other acreage and the well(s) has been drilled on another lease, the Lessor hereunder will not be entitled to use wellhead gas, free or otherwise. The rights granted herein related to free gas are not assignable or transferable to a party not currently owning an Interest in the leasehold premises. Notwithstanding the foregoing, the specific terms and conditions of free gas use shall be governed and controlled by the Agreement for Delivery of Free Gas and Overburn Gas. Lessee shall be fully relieved of any further obligation to provide free gas or alternative payment to Lessor if any of the conditions provided hereinabove are not satisfied. At the time application is made for free gas, Lessee shall have the option to make an annual cash payment to the qualified applicant(s) of One Thousand and 00/100 Dollars (\$2,000,00) in lieu of providing free gas and said sum shall thereafter permanently discharge Lessee's obligation under this Lease to provide gas free of cost to Lessor, his successors, beirs and assigns,

# SIGNED FOR IDENTIFICATION ONLY:

	(Seat)
Mark R. Fritz	
	(Seal)
Michelle E. Fritz	

## EXHIBIT "B"

This Exhibit "B" is attached to and made part of that certain Oil and Gas Lease dated 7/27/2010, by and between Mark R. Fritz and Michelle E. Fritz, husband and wife of 6301 Mackel Rd. NE Minerya, OH 44657 as Lessor and Kenyon Energy LLC. 1425 S. Main St., North Canton, OH 44720, as Lessoc, and is made a part of said lease as if incorporated therein.

Property Tax Parcel Identification Number: 81-80427.001

and is bounded formerly or currently as follows:

On the North by lands now or formerly of Section Line
On the East by lands now or formerly of Section Line
On the South by lands now or formerly of Mackel Road
On the West by lands now or formerly of Mackel Road

including lands acquired from Anthony Walchak, by virtue of deed dated 12/17/91, and recorded in Book 244. Page 224 and described for the purposes of this agreement as containing a total of 27,3465 Leasehold acres.

Property Tax Parcel Identification Number: 01-00108,000

and is bounded formerly or currently as follows:

On the North by lands now or formerly of Small Tracts
On the East by lands now or formerly of Schmuck; Flannery
On the South by lands now or formerly of Small Tracts
On the West by lands now or formerly of Macaw Road

including lands acquired from Anna Fritz, by virtue of deed dated 06/30/09, and recorded in Book 57, Page 1817 and described for the purposes of this agreement as containing a total of 12.1170 Leasehold acres

SIGNED FOR IDENTIFICATION ONLY

00031

Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 32 of 182. PageID #: 270

Instrument 201000002894 DR 8ook Pase 62 163

201000002894 SOLK
Filed for Record in
CARROLL COUNTY, OHIO
PATRICIA J. DYER, RECORDER
08-13-2010 At 09:02 am.
OIL GAS LS
OR Book
62 Page 163 - 16

PAID-UP OIL & GAS LEASE

Lease No.

04/10 - OH

This Lease, made this 27th day of July, 2010, by and between Fritz Dairy Farms, LLC, of 6301 Mackel Rd., Minerva, OH 44657, hereinafter collectively called "Lessor." and Kenyon Energy LLC, 1425 S. Main St., North Canton, OH 44720, hereinafter called "Lessee".

WITNESSETH, that for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their fiquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment; to use and occupy the subsurface for a wellbore or wellbores to drill across, through and under the Leasehold.

DESCRIPTION. See Exhibit B for lands described in AUGUSTA and WASHINGTON Township, CARROLL County, OHIO

Township 015N; Range 005W; Section:29 Parcel #: 0100063000 Township 014N; Range 005W; Section:29 Parcel #: 3400296009 Township 014N; Range 005W; Section:29 Parcel #: 3400296010

# See attached Exhibit 'A' which is unrecorded and Exhibit 'B' attached hereto and made a part hereof.

and described for the purposes of this agreement as containing a total of 102.8200 Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of FIVE (5) years from 12:00 A.M. July 27, 2010 (effective date) to 11:59 P.M. July 27, 2015 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.

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EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for one additional term of five (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

## NO AUTOMATIC TERMINATION OR FORFEITURE

- (A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).
- (B) LIMITATION OF FORFEITURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be decined to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relicf) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

<u>PAYMENTS TO LESSOR.</u> In addition to the bonus paid by Lessee for the execution hereof, Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

- (A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lesse with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.
- (B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:
- 1. OIL: To deliver to the credit of Lessor a Royalty equal to one-eighth (1/8) of the net revenue realized by Lessee for all oil and any constituents thereof produced and marketed from the Leasehold, less the cost to transport, handle, separate, meter, treat, process and market the oil.
- 2. GAS: To pay Lessor an amount equal to one-eighth (1/8) of the net revenue realized by Lessee for all gas and the constituents thereof produced and marketed from the Leasehold, less the cost to transport, gather, dehydrate, compress, market, meter, treat and process the gas and any losses in volumes to point of measurement that determines the revenue realized by Lessee. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).
- (C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that is awaiting completion (such as hydraulic fracture stimulation), or that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.
- (D) SHUT-IN: In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.
- (E) DAMAGES: Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.
- (F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and

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payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.

- (G) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.
- (H) TITLE: If Lessec receives evidence that Lessor does not have title to all or any part of the rights herein leased, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.
- (I) LIENS: Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means. In the event the leased lands are encumbered by a prior mortgage, then, notwithstanding anything contained herein to the contrary, Lessee shall have the right to suspend the payment of any royalties due hereunder, without liability for interest, until such time as Lessor obtains at its own expense a subordination of the mortgage in a form acceptable to Lessee.
- (J) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessee has or will negotiate with any other lessor/oil and gas owner.
- (K) PAYMENT REDUCTIONS: If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease, and the local property tax assessment calculation of the lands covered by the Lease, or the deeded acreage amount, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

FACILITIES. Lessee shall not drill a well on the Leasehold within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

DISPOSAL AND INJECTION WELLS. Lessor hereby grants to Lessee the right to drill wells and/or reenter existing wells, including necessary location, roadway and pipeline casements and rights of way, on any part of
the Leaschold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata, other
than a potable water strata, of air, gas, brine, completion and production fluids, waste water and any hydrocarbon
related substances from any source, including, but not limited to wells on the Leasehold or lands pooled or unitized
therewith or from properties and lands outside the Leasehold or lands pooled or unitized therewith, and to conduct all
operations as may be required, for so long as necessary and required by Lessee for purposes as herein provided. If,
at the expiration of the primary term, Lessee is disposing and/or injecting into any subsurface strata underlying the
Leasehold or lands pooled or unitized therewith or conducting operations for such disposal and/or injection and this
lease is not being maintained by any other provision contained herein and no other payments are being made to
Lessor as prescribed hereunder, Lessee shall pay to Lessor the sum of one thousand dollars (\$1,000.00) per year,

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proportionately reduced to Lessor's ownership in the Leasehold and surface as it bears to the full and undivided estate, beginning on the next anniversary date of this Lease and said payment and term of this Lease, insofar as to terms and provisions contained herein applicable to disposal and injection wells, shall continue annually thereafter for so long as necessary and required by Lessee for purposes as herein provided and until all disposal and/or injection wells located on the Leasehold or on lands pooled or unitized therewith are plugged and abandoned. Lessor agrees that if required by Lessee, regulatory agency or governmental authority having jurisdiction, Lessor shall enter a separate Disposal and Injection Agreement with Lessee for the purposes as herein provided.

TITLE AND INTERESTS. Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

COVENANTS. This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessec has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this Lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leaschold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, honus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease or the associated Order of Payment, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive remedy and cover all disputes, including but not limited to, the formation, execution, validity and performance of the Lease and Order of Payment. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessee is embodied herein and in the associated Order of Payment (if any). No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

TITLE CURATIVE. Lessor agrees to execute affidavits, ratifications, amendments, permits and other instruments as may be necessary to carry out the purpose of this lease.

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leaschold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leaschold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

<u>SUCCESSORS.</u> All rights, duties, and liabilities herein benefit and bind Lessor and Lessoe and their heirs, successors, and assigns.

FORCE MAJEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hercunder, or Lessee's fulfillment of its obligations hercunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure.

SEVERABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease.

<u>COUNTERPARTS.</u> This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

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See attached Exhibit 'A' which is unrecorded and Exhibit 'B' attached hereto and made a part hereof.

IN WITNESS WHEREOF, Lessor hereunto sets hand and scal.

Fritz Dairy Farms, LLC

36929 OCAR

By: Mark R. Fritz, Own Mark R. Fritz, Own Document prepared by: K	enyon Erergy LLC, 1425 S. M		OH 44720
	CORPORATE ACI	KNOWLEDGEM	ENT
STATE OF Ohio		_ )	
COUNTY OF Carro	11	) SS: )	
On this, the 30 <sup>4</sup> h personally appeared Mark such Owner, being author	day of, ZO R. Fritz, who acknowledged him ized to do so, executed the forego	self to be the <u>Owner of I</u> bing instrument for the p	otary public, the undersigned authority Fritz Dairy Farms LLC, and that they a urposes therein contained by signing the
	I here unto set my hand and offic		corporation.  Donna J. Kandel
	My Commission expires:	9-25-10	Notary Public, State Of Ohio My Commission Expires Sept. 25, 2010
	Signature/Notary Public:	Jama 9 Ka	ndel
*	Name/Notary Public (print):	Dong JV	(andel
Recorder: Kennin to Kenyon	Energy LLC, 1425 S. Main St., N	North Canton, OH 44720	

Instrument 2010000002894 OR Book Page 62 168

#### EXHIBIT "B"

This Exhibit "B" is attached to and made part of that certain Oil and Gas Lease dated 7/27/2010, by and between Fritz Dairy Farms, I.I.C of 6301 Mackel Rd. Minerva, OH 44657 as Lessor and Kenyon Energy I.LC, 1425 S. Main St., North Canton, OH 44720, as Lessoe, and is made a part of said lease as if incorporated therein.

Property Tax Parcel Identification Number: 01-00063.000

and is bounded formerly or currently as follows:

On the North by lands now or formerly of
On the East by lands now or formerly of
On the South by lands now or formerly of
On the West by lands now or formerly of
Rowlands

including lands acquired from Wilson Lee Buxton, by virtue of deed dated 10/13/09, and recorded in Book 56, Page 990 and described for the purposes of this agreement as containing a total of 92.5880 Leasehold acres

Property Tax Parcel Identification Number: 34-00296.009

and is bounded formerly or currently as follows:

On the North by lands now or formerly of
On the East by lands now or formerly of
On the South by lands now or formerly of
On the West by lands now or formerly of
Kinsington Road

including lands acquired from Charles D. Carter, Inc., by virtue of deed dated 08/19/09, and recorded in Book 55, Page 886 and described for the purposes of this agreement as containing a total of 5.1160 Leasehold acres

Property Tax Parcel Identification Number: 34-00296.010

and is bounded formerly or currently as follows:

On the North by lands now or formerly of
On the East by lands now or formerly of
On the South by lands now or formerly of
On the West by lands now or formerly of
Kinsington Road

including lands acquired from Charles D. Carter, Inc., by virtue of deed dated 08/19/09, and recorded in Book 55, Page 886 and described for the purposes of this agreement as containing a total of 5.1160 Leasehold acres

#### SIGNED FOR IDENTIFICATION ONLY:

Fritz Dairy Farms, LLC

Mark R. Gritz, Chwaer

Case: 5:12-cv-01736-JRA Doc#: 27 Filed: 03/08/13 38 of 182. PageID #: 276

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201000002896
Filed for Record in
CARROLL COUNTY, OHIO
PATRICIA J. DYER, RECORDER
08-13-2010 At 09:02 am.
DIL GAS LS 60.00
DR Book 62 Page 176 - 181

Lease No. -

#### PAID-UP OIL & GAS LEASE

04/10 - OH

This Lease, made this 27th day of July, 2010, by and between Mark R. Fritz and Michelle E. Fritz, husband and wife, of 6301 Mackel Rd. NE, Minerva, OH 44657, hereinafter collectively called "Lessor." and Kenyon Energy LLC, 1425 S. Main St., North Canton, OH 44720, hereinafter called "Lessee".

WITNESSETH, that for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their liquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment; to use and occupy the subsurface for a wellbore or wellbores to drill across, through and under the Leasehold.

DESCRIPTION. See Exhibit B for lands described in AUGUSTA Township, CARROLL County, OHIO

Township 015N; Range 005W; Section: 30 Parcel #: 0100108000 Township 015N; Range 005W; Section: 30 Parcel #: 0100427001

#### See attached Exhibit 'A' which is unrecorded and Exhibit 'B' attached hereto and made a part hereof.

and described for the purposes of this agreement as containing a total of 39,4635 Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of FIVE (5) years from 12:00 A.M. July 27, 2010 (effective date) to 11:59 P.M. July 27, 2015 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.

EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for one additional term of five (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

NO AUTOMATIC TERMINATION OR FORFEITURE

(A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).

(B) LIMITATION OF FORFEITURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

<u>PAYMENTS TO LESSOR.</u> In addition to the bonus paid by Lessee for the execution hereof, Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

- (A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.
- (B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:
- 1. OIL: To deliver to the credit of Lessor a Royalty equal to one-eighth (1/8) of the net revenue realized by Lessee for all oil and any constituents thereof produced and marketed from the Leasehold, less the cost to transport, handle, separate, meter, treat, process and market the oil.
- 2. GAS: To pay Lessor an amount equal to one-eighth (1/8) of the net revenue realized by Lessee for all gas and the constituents thereof produced and marketed from the Leasehold, less the cost to transport, gather, dehydrate, compress, market, meter, treat and process the gas and any losses in volumes to point of measurement that determines the revenue realized by Lessee. Lessee may withhold Royalty payment until such time as the total withhold exceeds (19th dollars (\$50.00).
- (C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that is awaiting completion (such as hydraulic fracture stimulation), or that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.
- (D) SHUT-IN: In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.
- (E) DAMAGES: Lessec will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.
- (F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.
- (G) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.

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(H) TITLE: If Lessec receives evidence that Lessor does not have title to all or any part of the rights herein leased. Lessee may immediately withhold payments that would be otherwise due and payable bereunder to Lessor until the adverse claim is fully resolved.

- (I) LIENS: Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means. In the event the leased lands are encumbered by a prior mortgage, then, notwithstanding anything contained herein to the contrary, Lessee shall have the right to suspend the payment of any royalties due hereunder, without liability for interest, until such time as Lessor obtains at its own expense a subordination of the mortgage in a form acceptable to Lessee.
- (J) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessee has or will negotiate with any other lessor/oil and gas owner.
- (K) PAYMENT REDUCTIONS: If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease, and the local property tax assessment calculation of the lands covered by the Lease, or the deeded acreage amount, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

FACILITIES. Lessee shall not drill a well on the Leasehold within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not creet any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

DISPOSAL AND INJECTION WELLS. Lessor hereby grants to Lessee the right to drill wells and/or recenter existing wells, including necessary location, roadway and pipeline easements and rights of way, on any part of the Leasehold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata, other than a potable water strata, of air, gas, brine, completion and production fluids, waste water and any hydrocarbon related substances from any source, including, but not limited to wells on the Leasehold or lands pooled or unitized therewith or from properties and lands outside the Leasehold or lands pooled or unitized therewith, and to conduct all operations as may be required, for so long as necessary and required by Lessee for purposes as herein provided. If, at the expiration of the primary term, Lessee is disposing and/or injecting into any subsurface strata underlying the Leasehold or lands pooled or unitized therewith or conducting operations for such disposal and/or injection and this lease is not being maintained by any other provision contained herein and no other payments are being made to Lessor as prescribed hereunder, Lessee shall pay to Lessor the sum of one thousand dollars (\$1,000.00) per year,

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proportionately reduced to Lessor's ownership in the Leasehold and surface as it bears to the full and undivided estate, beginning on the next anniversary date of this Lease and said payment and term of this Lease, insofar as to terms and provisions contained herein applicable to disposal and injection wells, shall continue annually thereafter for so long as necessary and required by Lessee for purposes as herein provided and until all disposal and/or injection wells located on the Leasehold or on lands pooled or unitized therewith are plugged and abandoned. Lessor agrees that if required by Lessee, regulatory agency or governmental authority having jurisdiction, Lessor shall enter a separate Disposal and Injection Agreement with Lessee for the purposes as herein provided.

TITLE AND INTERESTS. Lessor bereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

<u>COVENANTS</u>. This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessee has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this Lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease or the associated Order of Payment, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive remedy and cover all disputes, including but not limited to, the formation, execution, validity and performance of the Lease and Order of Payment. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessee is embodied herein and in the associated Order of Payment (if any). No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

TITLE CURATIVE. Lessor agrees to execute affidavits, ratifications, amendments, permits and other instruments as may be necessary to carry out the purpose of this lease.

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leaschold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

<u>SUCCESSORS.</u> All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

FORCE MAJEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure.

SEVERABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease.

<u>COUNTERPARTS</u>. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

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See attached Exhibit 'A' which is unrecorded and Exhibit 'B' attached hereto and made a part hereof.

IN WITNESS WHEREOF, Lessor hereunto sets hand and seal.

Michelle	E. Fritz		
Document prepare	d by: Kenyon Energy LLC,	1425 S. Main St., North Can	ton, OH 44720
	ACI	KNOWLEDGEMENT	
STATE OF		)	
		) SS:	
COUNTY OF		)	
On this, the	lay of,	, before me a notary public,	the undersigned officer, personally appeared
Mark R. Fritz and	Michelle E. Fritz, husband	and wife,	
	sfactorily proven) to be the pen ney executed the same for the p		ubscribed to the within instrument, and
IN WITNESS	EREOF, I here unto set my han	d and official seal.	Donna J. Kandel Notary Public, State Of Ohio My Commission Expires Sept. 25, 2010
ar see the	My Commission Ex	pires: 9-25-10	My Commission Expires Sept. 25, 2010
	Signature/Notary Pu		Kandel
The second second	Name/Notary Public	c (print):	1 Kandel

nto Kenyon Energy LLC, 1425 S. Main St., North Canton, OH 44720

Instrument 201000002896 DR Book Page 62 181

#### EXHIBIT "B"

This Exhibit "B" is attached to and made part of that certain Oil and Gas Lease dated 7/27/2010, by and between Mark R. Fritz and Michelle E. Fritz, husband and wife of 6301 Mackel Rd. NE Minerva, OH 44657 as Lessor and Kenyon Energy LLC, 1425 S. Main St., North Canton, OH 44720, as Lessee, and is made a part of said lease as if incorporated therein.

Property Tax Parcel Identification Number: 01-00427.001

and is bounded formerly or currently as follows:

On the North by lands now or formerly of On the East by lands now or formerly of On the South by lands now or formerly of On the West by lands now or formerly of Section Line Section Line Macket Road Macket Road

including lands acquired from Anthony Walchak, by virtue of deed dated 12/17/91, and recorded in Book 244, Page 224 and described for the purposes of this agreement as containing a total of 27.3465 Leasehold acres

Property Tax Parcel !dentification Number: 01-00108.000

and is bounded formerly or currently as follows:

On the North by lands now or formerly of On the East by lands now or formerly of On the South by lands now or formerly of On the West by lands now or formerly of Small Tracts Schmuck; Flannery Small Tracts Macaw Road

including lands acquired from Anna Fritz, by virtue of deed dated 06/30/09, and recorded in Book 57, Page 1817 and described for the purposes of this agreement as containing a total of 12.1170 Leasehold acres

SIGNED FOR IDENT!FICATION ONLY

(Scal)

Mark R. Fritz

(Scal

Instrument 201100005292 DR

Book Page 74 2444

201100005292 Keyor
Filed for Record in
CARROLL COUNTY, DHIO
PATRICIA J. DYER, RECORDER
09-16-2011 At 09:49 am.
PT REL LS 32.00
OR Book 74 Page 2444 - 2444

#### PARTIAL RELEASE OF OIL AND GAS LEASE

STATE OF OHIO	}	
COUNTY OF CARROLL	}	§

WHEREAS, a certain Oil and Gas Lease, dated <u>July 27<sup>th</sup>, 2010</u>, given by <u>Mark R. Fritz and Michelle E. Fritz, husband and wife</u>, Lessor, to <u>Kenyon Energy LLC, 1425 S. Main St., North Canton, OH 44720</u>, Lessee, and covering the following described lands in <u>Augusta Township</u>, <u>Carroll County</u>, Ohio:

50 30-TISN-R5W

Parcel #: 0100108000 Parcel #: 0100427001

Lease being recorded in the office of the County Clerk in and for said County, in Book/Page  $\underline{62/176}$  reference to which is hereby made; and

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, That, <u>Kenyon Energy LLC</u>, does hereby cancel, release, relinquish and surrender all its right, title and interest in and to the said Oil and Gas Lease insofar and only insofar as it covers the following described lands to wit:

Parcel #: 0100108000

EXECUTED this 12 day of September, 2011.

Kenyon Energy LLC

Philip M. Lowry – as Manager

#### CORPORATE ACKNOWLEDGEMENT

STATE OF OKLAHOMA	)	
	)	SS:
COUNTY OF OKLAHOMA	)	

On this the 12 th day of September, 2011, before me the undersigned, a Notary Public in and for said state, personally appeared Philip M. Lowry, personally known to me (or satisfactorily proven), who acknowledged himself to be the Manager of Kenyon Energy LLC and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company by himself as such Manager.

In witness thereof, I hereunto set my hand and official seals.

My Commission Expires on:

Notary

Prepared by and Return to: Kenyon Energy LLC, 1425 S. Main St., North Canton, OH 44720.



Mark R. and Michele Fritz 6301 Mackel Rd NE Minerva, OH 44657 December 29, 2011

Phillip M. Lowry Manager Kenyon Energy LLC 1425 S. Main St. North Canton, OH 44720

Dear Mr. Lowry:

This is to inform you that the original leases, were taken to the notary at our Bank, Consumers National Bank, Minerva, OH 44657, to be verified by her that she was the notary on the date, July 30, 2010, who had looked over the 2 sets of each original, and had my husband, Mark R Fritz and myself, Michele E Fritz initial and sign the documents where needed. Also, the section in our sets that were sent with the landsman, Richard Owen, had the section with the 5 year term crossed out on both sets when taken to the notary. But when they were recorded at Carroll County Recorders, that paragraph was not crossed out, even though the set that he took with him had that paragraph crossed out and initialed also.

We did not accept the 5 year extension at \$750 per acre. We only accepted the 5 year primary term, but it was not recorded that way.

We are sending you this letter, with the notary's signature and notary stamp verifying that this was the paperwork that was signed and notarized in her presence at Consumer's National Bank, on July 30, 2010, and is legal and legitimate.

I do not know what happened to the set that your landsman received from us with the 5 year extension crossed out, but we would not take two sets of each lease to the notary and have her sign and notarize, if they were not the same leases. She made sure at the time that we initialed each set of two leases with the 5 year extension crossed out and signed and initial where needed, and then she signed and notarized each set of two.

This letter is to verify this fact.

Acknowledgement of Notary that everything

contained herein is true and correct.

Mark R and Michele F. Fritz

Donna Kandel(Notary Public)

) 8ma J. Kandel

Donna J. Kandel Motary Public, State of Ohio My commission Expires 09-25-2015 Print

ed: 03/08/13 46 of 182. PageID #: 284 Case: 5:12-cv-01736-JRA Doc

Subject: Re: Our Oil and Gas Leases

Dain Wise (dwise@kenyonenergyllc.com) From:

To: mmfritz@yahoo.com;

Date: Friday, January 13, 2012 1:57 PM

Mrs. Fritz,

I have read below and printed your attachments. We are researching our records at this time and I will get back to you sometime early next week with what we have found.

On Fri, Jan 13, 2012 at 11:42 AM, Michele Fritz < whom we wrote: Dear Dain Wise:

I had spoken to you last month about the attached leases, which we had signed with your Kenyonlandsman, Richard Owen, on July 27, 2010. We, referring to my husband and I had negotiated first with Chase Graham starting in June of 2010. He must had been transferred, because then Mr. Owen became our landsman. The price per acre began at \$250 per acre with 1/8th royalties. If we signed a 5 year extension he would give us more money for our bonus payment. I have paperwork on this. Then he came back at \$400 per acre, crossed that out and made it \$500 per acre. Then in July we settled on \$750 per acre with just a primary 5 year lease. We decided this because we had another 239 acres coming up in 2011. He said he would work with us then to get the best price possible.

On July 30, 2010 Mr. Owen brought 2 sets of each lease to take to have notarized. The first mistake was we didn't notice on the lease for Mark and Michele Fritz, that he didn't take off the parcel #01-00108.000 for 12.12 acres, that was still under lease with Great Lakes. We were not paid for it either. You can check our tender and figure it was for \$750 per acre. The check was for \$20,509.88 and the acreage is 27.3965 acres. I also have papers which he wrote, under lease with Great Lakes until 2011. We take the 4 leases, 2 of each to our bank in Minerva. Donna Kandel looked them over page by page, the paragraph with the 5 year extension was already crossed out when Mr. Owen gave us the leases. We initialed that paragraph on all 4 leases. signed as we went through the leases page by page. This was to make sure that everything was the same and we didn't miss anything and have to come back in being summer busy season. She

where needed, she notarized it with the date, county, state signature and her seal. I took paperwork into her pertaining to this issue, and asked her if she remembered this signing, which she did because usually my husband does not handle anything with legalities. He signed his power of attorney over to me before his parents passed, for the mere fact that he doesn't have time. We have a dairy farm, so I handle most of the running for parts banking, shopping, etc. She signed and notarized this paper attached stating to the fact that the originals of the sets that are in our possession were accurate, with the paragraph initialed that crossed out the extension. She put an x on the one lease and wrote initial, which you can see. I did not send or take them to Mr. Lowrey at your North Canton office. We have the originals at the attorneys office with the notarized letter from the notary stating thefact that our leases are the real leases, not the ones that Mr. Owen had recorded at Carroll County Recorders office. Our attorney is Robert Tscholl. He is located at 400 S Main St N. Canton, OH 44720, right down the street from your N Canton office.

The reason we are sending this to you is so you can discuss this with your superiors. I can provide these documents to your N. Canton office, if that could help us settle the matter without taking legal action against Mr. Owen, and Kenyon. Three seperate lawyers have looked at these documents, and all are in agreement that he committed some unfavorable, maybe even if proven, illegal acts by

http://us-mg6.mail.yahoo.com/neo/launch

1/14/2013

Print

switching the top pages and extending our leases another 5 years without our permission. Our goal is to see if we can get these leases voided, without taking legal action against him and Kenyon. We would love to have a representative contact us on this matter. My husband and I are looking forward to hearing from Kenyon on this issue. We could always meet at the office in N. Canton, or someone can come to our home. I will need to know if this would be possible so I could set something up with our lawyer, and have him bring the documentation. Please feel free to contact me at (330)895-2876.

Yours, Michele E Fritz 6301 Mackel Rd NE Minerva, OH 44657

http://us-mg6.mail.yahoo.com/neo/launch

1/14/2013

Print Case: 5:12-cv-01736-JRA Doc #: 2 Filed: 03/08/13 48 of 182. PageID #: 286

Subject: [No Subject]

From: Costa, Sandra (Scosta@ohiosecretaryofstate.gov)

To: mmfritz@yahoo.com;

Date: Friday, December 7, 2012 12:40 PM

<<20121207\_123745\_00020.pdf>>

Here's what I have Michele; here's hoping that this is enough.

# Sandra Costa

**Notary Coordinator** 

Office of the Ohio Secretary of State

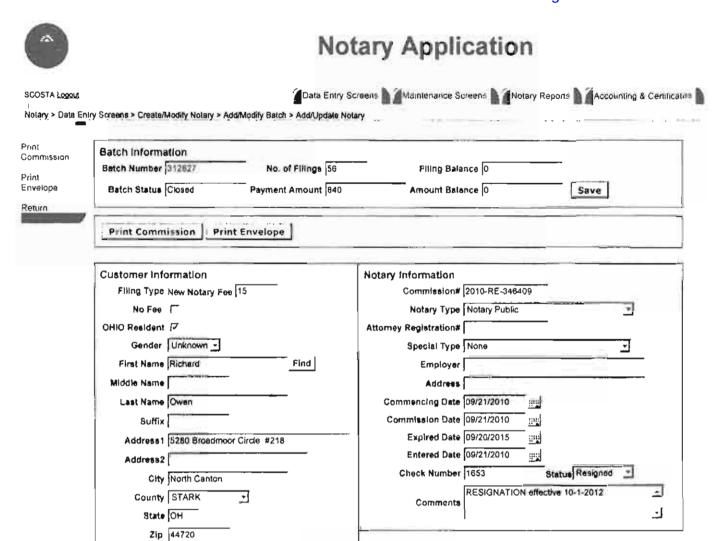
Tel: 614 644 4559

scosta@ohiosecretary of state.gov

http://us-mg6.mail.yahoo.com/neo/launch

1/6/2013

Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 49 of 182. PageID #: 287



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Page, 1/2

Prom: 614 995 5749 Uhlo Sec. of State

64/5 566 \$19



#### **Unio Secretary of State**

#### Office of the Notary Commission

#### Application for Amendment of Notary Public Information

Submit application via U.S. Mail: Notary Commission

P.O. Box 1658 Columbus, Ohio 43216 OR

Submit application in-person: Client Service Center 180 East Broad St., Suite 103 Columbus, Ohio 43215

Chance the block(s) that applies to the amendment desired: (Please make Check or Money Order payable to SOS/Notary Commission)

- Change of Name \$2 (10) (Includes revised commission)
- 1 : Change of Address No fee (no new contificate will be sent)
- Doplicate \$2,00
- Resignation of Commission No fee

1. Current Name on Commussion Richard OWEN			
2. New Name for Commission			
5280 Broad moor CIR #218	CONTON	State	Zip Code 44720
4. New Address for Record PO BOX 50275	OKC	OK.	Zap Code 731₩0
2010 - RE - 346 409	20 Sef		
7. Contact Telephone Number 330-265-6/49	M. County of Resid		
9 Emait Address (optional)	10. Effective Date of		

DO NOT NOTARIZE YOUR OWN SIGNATURE I artest to the accuracy of the amended information provided 11. Signature of Applicant OCTOBER Swurn to and subscribed in my presence this A Notary Public Signature Commission Expiration Date Place Official Seal or Stamp in Box Provided Last Revised: 11/2011

5035 1442 Page 1 of 2

7107-/0-71 7/7

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Page: 2/2

From. 614 995 5749 Unio Sec. 01 State

6**7**/5 566 **7**19

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# TED STRICKLAND

#### Governor of said State

### To all to whom these Presents shall come, Greeting:

Know Ye, That by virtue of the authority vested in me by the Constitution and Laws of this State, and reposing special Trust and Confidence in Richard Owen, I do hereby appoint and commission the above to be a Notary Public, for the State of Ohio for the term of Five Years commencing on the 21st day of September, 2010, and expiring on the 20th day of September, 2015, hereby authorizing and empowering said officer to execute and discharge, all and singular, the duties appertaining to said office, and to enjoy all the privileges and immunities thereof.

In Testimony Whereof, I have hereunto subscribed my name and caused the Great Seal of the State of Ohio to be affixed, at Columbus, this 21st day of September, 2010.

Ist Strickland

By The Governor:



State SCANNED

SOS 1401 (07/07)



The State of Phio

Stack County, \$55.

I do hereby swear that I will support the Constitution of the United States of America and Constitution of the State of Ohio, and that I will faithfully discharge the duties of the position to which I have been appointed, according to law, and to the best of my ability.

Richard Oeven

Swarn to before me, a Deputy	Club P
of September 20 10	14 May Copy Terra
of Seplember 20 10	o Johnno
	Shellet bone
	success of he
	De suter Week
	-, 0

IMPORTANT - For Notarias: this Public Commission must be recorded in office of County Clerk before notarial acts are performed.
(Section 147.03 of the Revised Code of Ohio)

1425 S. Main St. N. Canton, OH 44720

#### 147.01 Appointment and commission of notaries public notary public for state.

- (A) The secretary of state may appoint and commission as notarles public as many persons who meet the qualifications of division (B) of this section as the secretary of state considers necessary.
- (B) In order for a person to qualify to be appointed and commissioned as a notary public, the person must satisfy both of the following:
- (1) The person has attained the age of eighteen years.
- (2) One of the following applies:
- (a) The person is a legal resident of this state who is not an attorney admitted to the practice of law In this state by the Ohio supreme court.
- (b) The person is a legal resident of this state who is an attorney admitted to the practice of law in this state by the Ohlo supreme court.
- (c) The person is not a legal resident of this state, is an attorney admitted to the practice of law in this state by the Ohio supreme court, and has the person's principal place of business or the person's primary practice in this state. (C) A notary public shall be appointed and commissioned as a notary public for the state. The secretary of state may revoke a commission issued to a notary public upon presentation of satisfactory evidence of official misconduct or Incapacity.

Effective Date: 09-26-2003

### INSTRUCTIONS FOR APPLYING TO RECEIVE NEW NOTARY PUBLIC COMMISSION

Effective January 2008 fee is \$70 (nonrefundable \$15 fee)

This application is valid for all Ohio Residents. Once commissioned, Ohio notaries have jurisdiction throughout the state.

- A) The process for becoming a Notary:
- Application and arrest record is mailed to the Columbus Bar Association with a check for \$70 (made payable to the Columbus Bar Association) *or* Credit Card payments may be made by faxing application/arrest record along with credit card information.
- Study Guide and Test Schedule are e-mailed to you following processing of application and payment.
- You will have 90 days in which to take and pass your test.
- Once the test is passed, you will receive your commission from the Secretary of State.
- Your commission must then be recorded with the Clerk of Courts before you can notarize any documents (you will receive info on how to do this at the test).

B) For speediest processing, ensure that you have the following (2) forms completed and included with your \$70 fee. PRINTING ON <u>ALL FORMS</u> MUST BE DARK & SIGNATURE <u>MUST</u> BE DARK & LEGIBLE - WILL BE RETURNED IF NOT per SECRETARY OF STATE NOTARY OFFICE (Effective 11/12)

- 1. Application for Notary Public Commission/MUST BE NOTARIZED
- 2. Arrest Record Complete the top section only, up to but not including the Agency Requesting Record/MUST BE SIGNED Our Office obtains the arrest record.

Your \$70 Notary Application fee covers application processing and test materials and administration.

#### **CREDIT CARD PAYMENTS**

Fax (2) forms from Box B along with Visa or MasterCard Information to:

Fax: 614-750-3102 Attn: Notary Department

#### NOTARY SEMINARS WITH TESTING

 Live Notary Seminars are held at the Columbus Bar Association, once a month, from 9-11am. The seminar fee is \$45 and includes a review of all notary test materials and current notary policies. It is followed immediately by the Notary Test.

#### ONLINE NOTARY SEMINARS ONLY

(Does not include test)

- \$45 @ www.OhioNotaryInfo.com
- Please pay online

#### CHECK PAYMENTS

Send (2) forms from Box B, along with a \$70 check payable to

Columbus Bar Association, to:

COLUMBUS BAR ASSOCIATION NOTARY DEPARTMENT 175 S. THIRD ST. STE 1100 COLUMBUS, OHIO 43215

#### NOTARY TESTS ONLY

 Notary Tests only (no seminar) will be held at the Columbus Bar Association, once a month, on the scheduled date at 9am.

Please check the date carefully

• TEST GIVEN EVERY WEDNESDAY MORNING AT 10:00

Call the Columbus Bar Notary Department at 340-2031 with questions. We're here to help!

#### Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 55 of 182. PageID #: 293

#### APPLICATION FOR NEW NOTARY PUBLIC COMMISSION- \$70 fee (effective 01/2008)

1.	Name of Applicant		(As listed on driver's license)		
	Email Address		Home Phone #		
2.	Home Address		Zip Code		
3.	Date of Birth 4. Ea	mployer			
5.	Employer Address		Business Phone #		
6.	ARE YOU A RESIDENT OF FRANKLIN COU	JNTY? FOR	HOW LONG?		
7.	Have you ever been a notary in Ohio?	Expiration date of for	rmer commission		
8.	Have you ever had a commission revoked?(If you answered yes to either question above, p	Have you had an application lease attach a statement of explanation	rejected in the past five years?		
9.	Have you ever been convicted of or plead guilty to a crime resulting in a fine of \$100 or more, or imprisonment?				
10.	Have you ever been removed from office for reasons of moral turpitude, or had a business or professional license revoked?(If yes, please attach a statement of explanation.)				
11.	(A) Have you ever sought but been refused a bo	and?(If yes, please attach a s	statement of explanation.)		
	(B) Have you ever had a claim made against the	bond? (If yes, please attach	a statement of explanation.)		
	<ul> <li>(A) I will perform only such acts as a Notary Public is authorized to do by law.</li> <li>(B) I will not charge or accept an amount exceeding the legal fees for such services.</li> <li>(C) I will not draw, prepare, or draft for other persons, any legal papers such as deeds, notes, wills, mortgages, chattel mortgages, co partnership agreements, and articles of incorporation, options, and leases, contracts for purchase or sale of real estate, escrow instructed assess, mechanics liens, affidavits, bulk sales affidavits, or bills of sale.</li> <li>(D)I will not certify an affidavit of a person without administering the oath (or affirmation) to such person and then having him/her sign presence.</li> <li>(E) I will not certify the acknowledgment of any document in the absence of the person so acknowledging his/her signature.</li> <li>(F) I will not perform any notarial act after the date of expiration of my commission.</li> <li>(G) I will not perform any notarial act without first obtaining satisfactory evidence of identification.</li> </ul>				
The	e section below must be signed and no	otarized:			
In W	Vitness Whereof, I have hereunto set my hand this	day of	, 20		
	X (signature of applicant)				
	State of Ohio, Franklin County, ss:				
	(printed name of applicant)	ing first duly sworn says that the respo	onses stated in the above application are true.		
Swc	orn to before me and subscribed in my presence this	s day of	, 20		
	(signature of Notary Public)				
	(printed name of Notary Public), Notary Pub	slic - State of Ohio			
	My commission expires				
מט	EDIT CARD #				
	P. DATE CARD SECURITY CODE				
	ME ON CARD				
	A Processing Date:	Amount Paid			

#### Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 56 of 182. PageID #: 294

I give the Columbus Bar Association permission to seek a copy of my arrest record from the Franklin County Sheriff's Office. I do hereby release the Franklin County Sheriff's Office and all individuals connected therewith from all liability.

SIGNATURE	
(application cannot be	processed without a signature)
DATE	_20
NAME	ALIAS/
(PRINT OR TYPE IN FU	
DATE OF BIRTH	SEXRACE
SOCIAL SECURITY NUMBER	
AGENCY REQUESTING RECORD_	Columbus Bar Association
SIGNATURE OF AGENT MAKING	G REQUEST
County Sheriff's Office on the ab	cord on file from 1987 to the present at the Pranklin bove named subject. It is checked by name only, not by d as to the true identity of the subject in question.
DATE	CHARGE
<del>-</del>	
DISPOSITIONS	
Municipal Court 645-8186	B &
375 S. High St.	DATE
Common Pleas Court 525-3650 345 J. High St. SHRRE-01-G-11/34	

Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 57 of 182. PageID #: 295

## Prepare for the Notary Public Exam!

#### Upcoming Dates

November 17, 2012 December 15, 2012 January 12, 2013 February 23, 2013 March 16, 2013 April 20, 2013 May 11, 2013 June 8, 2013

#### Time

All seminars begin at 9:00am. Pre-registration is not required. The course lasts approximately one hour, and the official notary exam will be given immediately after the seminar.

#### Cost

\$45.00 for seminar registration fee only; \$115.00 for seminar registration fee and notary application fee (for new and renewing notary applicants).

#### Location

Columbus Bar Association 175 S. 3rd St., Suite 1100 Columbus, OH 43215 Designed to prepare you for the official Ohio notary exam, or as a refresher course for those of you who have already been practicing as a notary, the Columbus Bar Association's notary training seminar is a must! Course topics include:

- What do I need to know to pass the notary exam?
- What happens if I notarize something incorrectly?
- Where can I get into trouble?
- What fees can I charge for notarial acts?
- Where does an Ohio notary have jurisdiction?
- How do I establish another person's identity?
- How do I issue an oath?
- What is the difference between an acknowledgement and an affidavit?
- You will also receive course materials containing helpful examples and a glossary of notary terms

#### Presented by:

Judge Charles A. Schneider Franklin County Common Pleas Court

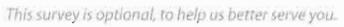


You may also take this course online! Visit our website at www.peoplesbar.org.

#### **Notary Public Seminar & Test Registration Form**

Notary Fu	DIIC SCI	illiai & rest keg	Suadon roini
Name:		Telephone a	#
Address:		City/State/Zip:	
Total Enclosed \$	Visa/Ma	stercard/AmEx/Discover	
Exp. Date Card Se	curity Code	Billing Address	Billing Zip Code
Name on Card	Autho	orized Signature	
Register me for: 11/17/12	12/15/12	1/12/13 2/23/13 3/16/13	4/20/13 5/11/13 6/8/13
Return registration	form with	payment to:	CIRA
Columbus Bar Association FAX CREDIT CARD ORDER		St., Suite 1100, Columbus, OH 43 3102	215

# Notary Survey





140-751	
ddress:	
mail:	
I am studying to become a notary for:	
☐ Work requirement	
Personal business opportunities	
☐ Enhancing my qualifications	
Which of the following industries best describes your job:	
☐ Xerromobile:	
☐ Real estate	
☐ Health care	
Legal	
☐ Banking ☐ Cither givese gescriber	
TOTAL SHOOT SHOT SH	
<ul> <li>I would like to learn more about notarizing mortgage documents.</li> </ul>	☐Yes ☐No
I would like to learn more about auto titles; understanding the document.	
possible fraud (soues, and red flags.	□Yes □ No
I am interested in receiving information about	
☐ Renewal notifications	
☐ Discounts on notary stamps and supplies	
Discounts on educational seminars and materials	
☐ Notary errors and omissions (E.& O) insurance	
CI Newsletters	
☐ Email elects regarding notary law changes	
☐ Other (please spinsify)	

Unio Notary Association + 173 5-71 nd 51, Note 1100 + Columbus QM 4521 Te 614 221 5849

# **Revised Notary Handbook**



#### The must-have Notary Handbook features:

- Ohio Revised Code amended notary law §147.01 and 147.37
- State of Ohio auto title forms
- Allowable fees charged by a notary public
- Notarial journal conveniently located in back of the Handbook

Payment Information			
raymon manananon	# Handbooks	x \$9.95	\$
	Tax:	6.75%	\$
	Total:		\$
Method of payment:	Credit Card (	Visa, MasterCard, Ar	mEx, Discover)
Credit Card Number	Expiration	nn Date	
Name on Card	Authoriz	ed Signature	
Shipping Information			FREE SHIPPING!
Name			
Company Name (must include if shipped to a bus	siness address)		
Street Address			
City, State Zip			
Email address		Daytime Phone	Number
Price effective Return this form with payment t 175 S. Third Street, Ste.1100	o Columbus Bar A		

# It wasn't the notary's fault but it cost him \$11,500 anyway.

It was a routine transaction, and there was no way the notary could have known the signatures were forgeries. But they were. And, in the eyes of the court, the notary was at fault. This time the penalty was \$8,000 in damages, \$3,500 in court costs. Unfair? Sure. But for notaries public in a litigious society like ours, it's just part of the territory.

#### Fortunately, We've got the territory covered

No one can say whether you'll ever be faced with a situation like the one just described. But, as a notary you are vulnerable. And, with major judgments against notaries now reaching tens of thousands of dollars, it's important to have someone in your corner should you find yourself faced with a lawsuit.

DON'T WAIT!
PROTECT YOURSELF
WITH NOTARY
ERRORS AND
OMISSIONS
INSURANCE FROM





#### RLI requires no deductible...

That's exactly why we're here. We protect notaries...beginning with the very first dollar in damages. In other words, we require no deductible. We pay every dollar of damages and legal costs right up to the policy limit — and that may mean up to \$30,000. So, should you ever be sued, you can relax — the chances are you'll never face an out of pocket expense.

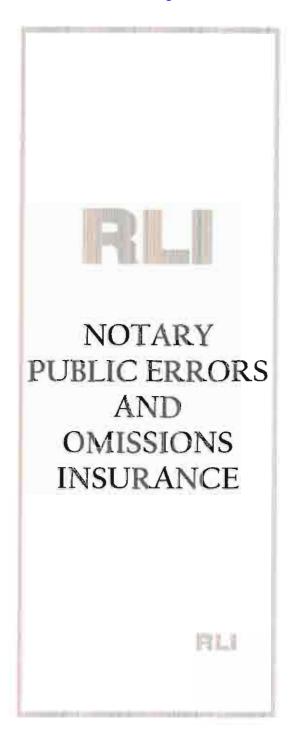
#### No lengthy exclusions...

Equally reassuring, you'll find our policies are not watered down with lengthy exclusions. In fact, we pride ourselves on offering the most comprehensive coverage in the industry. Our job is to protect you in case of claim... freeing you to do your job.

#### We pay defense costs...

Having this kind of protection is more important than ever before because lawsuits against notaries are becoming more common every day. Forged, incomplete, or otherwise defective signatures all can cast doubt on the validity or date of a document. And when that happens, someone is to blame. Too often these days, the blame is placed on you – the notary. Worse yet, even if the suit is not valid you may not be spared the need to protect yourself from prosecution. And, without coverage you'll have to pay these defense costs yourself.

Make sure this doesn't happen to you. Your agent can get RLl's affordable coverage for you. Call today.



# Individual Notary Public E&O Insurance

- Pays court costs, attorney fees, etc. up to one half the face amount of the policy.
- Pays judgment up to the face amount of the policy.
- No deductible
- Written to coincide with Notary's commission.

#### Blanket Notary Public E&O Insurance

- Employers are covered at no additional charge.
- No need to advise of changes during policy period.

Additional notaries are automatically covered.

#### **Notary E&O Benefits**

- No deductible.
- Covers defense costs.
- Protects against errors and omissions.
- Employers covered under blanket policy at no additional charge.
- Additional notaries covered automatically under blanket policy.

#### Individual E&O Limits and Term Premiums

□ \$5,000.00 · · · \$37.50 / 5-year premium
□ \$10,000.00 · · · \$62.50 / 5-year premium
□ \$25,000.00 · · · \$93.75 / 5-year premium
□ \( \text{1.5} \)

#### Blanket E&O Limits and Term Premiums

□ \$5,000.00 ... \$7 50 /per year per Notary
□ \$10,000.00 ... \$12.50 /per year per Notary
□ \$25,000.00 ... \$18.75 /per year per Notary
□ ... /per year per Notary

#### REI

- A.M. Best's rating: A+, Superior.
- Standard & Poor's rating: A+.
- Year after year RLI has appeared in the Ward's 50, a select group of top insurance companies based on financial safety, consistency and performance.
- 24 hour turn around time on all new business.

#### Application

#### Individual Policy

Name			
Address			
City			
State	Zip		
Date of Commission			
Amount of Coverage \$_			

#### Blanket Policy

Diamet Folicy	
Employer's Name	
Address	
City	
State	Zip
Number of Notaries _	
Amount of Coverage \$	

☐ Check here if this has been previously faxed.

Agency Name				
CBS Agency, Inc	<b>)</b> .			
Address Street & Number				
175 S. Third St., Suite 1100				
City	Stat	e	Zip	
Columbus	OH		43215	
Phone Number		Age	ency Code	
614/340.2076		473	310	

# **EXHIBIT E**

Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 63 of 182. PageID #: 301 Case: 5:12-cv-01736 Doc #: 1-5 Filed: 07/06/12 2 of 3. PageID #: 61

NORTHERN DIST	NORTHERN DISTRICT OF OHIO EASTERN DIVISION		
FRITZ DAIRY FARM, L.L.C., et al.,	)		
Plaintiffs	)	Case No.:	
V.	3	Judge:	
CHESAPEAKE EXPLORATION, L.L.C., et al.,	)		
Defendants.	)		

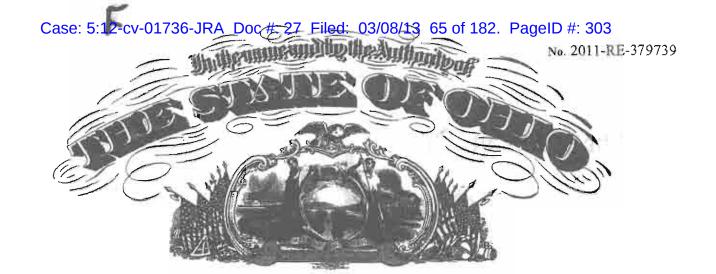
#### DECLARATION OF RICHARD OWEN IN SUPPORT OF NOTICE OF REMOVAL

- I, Richard Owen, declare and state on my personal knowledge as follows:
- I am the principal of RGOwen & Assoc. LLC.
- I am over the age of 21 and competent to make this Declaration. The statements
  made herein are based on my personal knowledge and familiarity with the facts stated herein.
- As part of my position with RGOwen & Assoc LLC, I work as a contractor for Kenyon Energy, LLC. As part of my work, it is customary for me to travel to the location of newly discovered oil and gas plays to evaluate title records and obtain leasehold interests to mineral rights.
- 4. Plaintiffs' complaint avers that I am a resident of the state of Ohio and lists 5280 Broadmoor Circle, #218, North Canton, Ohio 44720, as my address. That address is merely the hotel where I temporarily stay—the Residence Inn—while engaging in temporary business in Ohio.
- I am a permanent resident of the state of Oklahoma. 1 reside at 411 Cambridge Rd., Midwest City, Oklahoma 73130.

Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 64 of 182. PageID #: 302 Case: 5:12-cv-01736 Doc #: 1-5 Filed: 07/06/12 3 of 3. PageID #: 62

I declare under penalty of perjury of the laws of the United States that the foregoing is true and correct. Executed on this 2.7day of June 2012.

RICHARD OWEN



# JOHN KASICH

#### Governor of said State

#### To all to whom these Presents shall come, Greeting:

Know Ye, That by virtue of the authority vested in me by the Constitution and Laws of this State, and reposing special Trust and Confidence in Nathaniel Hammons, I do hereby appoint and commission the above to be a Notary Public, for the State of Ohio for the term of Five Years commencing on the 11th day of July, 2011, and expiring on the 10th day of July, 2016, hereby authorizing and empowering said officer to execute and discharge, all and singular, the duties appertaining to said office, and to enjoy all the privileges and immunities thereof.

In Testimony Whereof, I have hereunto subscribed my name and caused the Great Seal of the State of Ohio to be affixed, at Columbus, this 11th day of July, 2011.

By The Governor:



Jan Hustel Secretary of State

SOS 1401 (07/07)

The State	of Ohio	
STARK	_County,	SS.



I do hereby swear that I will support the Constitution of the United States of America and Constitution of the State of Ohio, and that I will faithfully discharge the duties of the position to which I have been appointed, according to law, and to the best of my ability.

Sworn to before me, a Notary Public

in and for the County aforesaid, this 15th day

of July 2011

Ke Edids

Kenn Edwards

IMPORTANT - For Naturies: this Public Commission must be recorded in office of County Clerk before notarial acts are performed (Section 147.05 of the Revised Code of Ohio)

1425 S. Main SA.

Durth Conton, OH 44720

Kevin Edwards
Notary Public, State of Ohio
My Commission Expires
June 21, 2016

Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 67 of 182. Pagel p. #2805 RE-358736



# JOHN KASICH

#### Governor of said State

#### To all to whom these Presents shall come, Greeting:

Know Ye, That by virtue of the authority vested in me by the Constitution and Laws of this State, and reposing special Trust and Confidence in **Chase Schwabe**, I do hereby appoint and commission the above to be a **Notary Public**, for the State of Ohio for the term of Five Years commencing on the 18th day of January, 2011, and expiring on the 17th day of January, 2016, hereby authorizing and empowering said officer to execute and discharge, all and singular, the duties appertaining to said office, and to enjoy all the privileges and immunities thereof.

In Testimony Whereof, I have hereunto subscribed my name and caused the Great Seal of the State of Ohio to be affixed, at Columbus, this 18th day of January, 2011.

By The Governor:



Secretary of State

SOS 1401 (07/07)

NANCY S. SENEROL CLERK OF COURTY, OHIC STARK COUNTY, OHIC

2011 JAN 25 PM 3: 55

# The State of Phio Stark County, ss.

I do hereby swear that I will support the Constitution of the United States of America and Constitution of the State of Ohio, and that I will faithfully discharge the duties of the position to which I have been appointed, according to law, and to the best of my ability.

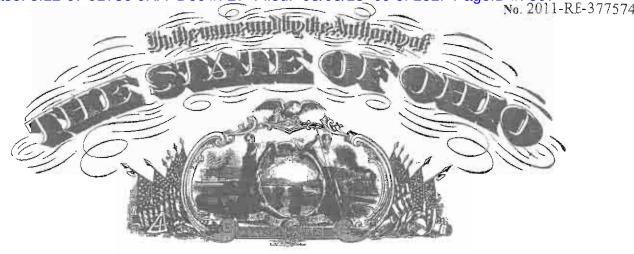
Sworn to before me, a Deposity Chik

Deputy Clork! Linda St. geam

IMPORTANT - For Notaries: this Public Commission must be recorded in office of County Clerk before notarial acts are performed (Section 147.95 of the Revised Code of Oluo)

Chase Schwabe
1425 S. Main Street
North Canton, CH 44720

Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 69 of 182. PageID #: 307
No. 2011-RE-377574



# JOHN KASICH

#### Governor of said State

#### To all to whom these Presents shall come, Greeting:

Know Ye, That by virtue of the authority vested in me by the Constitution and Laws of this State, and reposing special Trust and Confidence in **Kevin Edwards**, I do hereby appoint and commission the above to be a **Notary Public**, for the State of Ohio for the term of Five Years commencing on the 22nd day of June, 2011, and expiring on the 21st day of June, 2016, hereby authorizing and empowering said officer to execute and discharge, all and singular, the duties appertaining to said office, and to enjoy all the privileges and immunities thereof.

In Testimony Whereof, I have hereunto subscribed my name and caused the Great Seal of the State of Ohio to be affixed, at Columbus, this 22nd day of June, 2011

By The Governor:



Jan Hustel Secretary of State

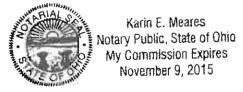
SOS 1401 (07/07)



# The State of Ohio speck County, ss.

I do hereby swear that I will support the Constitution of the United States of America and	
Constitution of the State of Ohio, and that I will faithfully discharge the duties of the position to whi	ch
I have been appointed, according to law, and to the best of my ability.	

Sworn to before me, a	NODORY	PUBLIC	
in and for the County afore	said, this 27		
of TUNE	20 11		

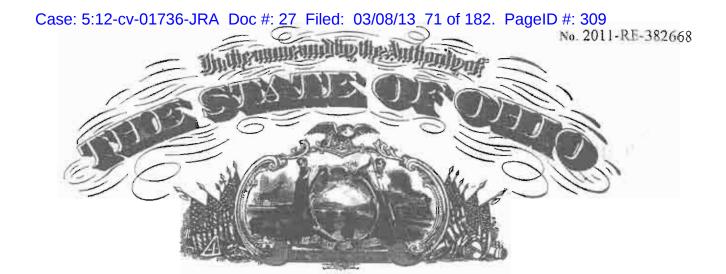


MEAGE

IMPORTANT - For Notaries: this Public Commission must be recorded in office of County Clerk before notarial acts are performed.

(Section 147.05 of the Revised Code of Ohlo)

1425 S. Main St North Canton, OH 44720



# JOHN KASICH

#### Governor of said State

#### To all to whom these Presents shall come, Greeting:

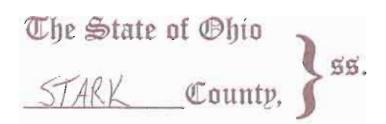
Know Ye, That by virtue of the authority vested in me by the Constitution and Laws of this State, and reposing special Trust and Confidence in Matthew Smith, I do hereby appoint and commission the above to be a Notary Public, for the State of Ohio for the term of Five Years commencing on the 05th day of August, 2011, and expiring on the 04th day of August, 2016, hereby authorizing and empowering said officer to execute and discharge, all and singular, the duties appertaining to said office, and to enjoy all the privileges and immunities thereof.

In Testimony Whereof, I have hereunto subscribed my name and caused the Great Seal of the State of Ohio to be affixed, at Columbus, this 05th day of August, 2011.



Secretary of State

SOS 1401 (07/07)





I do hereby swear that I will support the Constitution of the United States of America and Constitution of the State of Ohio, and that I will faithfully discharge the duties of the position to which I have been appointed, according to law, and to the best of my ability.

Matthe Lively

Sworn to before me, a NOTUSY PUBLIC in and for the County aforesaid, this Str day

of August 2011

IMPORTANT - For Notation: this Public Commission must be recorded in office of County Clark before notation (Section 147.05 of the Revised Code of Ohio)

mutthen Smith 5295 Broadmosr Circle NW Conton of 44709

Kevin Edwards Notary Public, State of Ohio My Commission Expires June 21, 2016

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# JOHN KASICH

## Governor of said State

# To all to whom these Presents shall come, Greeting:

Know Ye, That by virtue of the authority vested in me by the Constitution and Laws of this State, and reposing special Trust and Confidence in **Matt Burkholder**, I do hereby appoint and commission the above to be a **Notary Public**, for the State of Ohio for the term of Five Years commencing on the 22nd day of June, 2011, and expiring on the 21st day of June, 2016, hereby authorizing and empowering said officer to execute and discharge, all and singular, the duties appertaining to said office, and to enjoy all the privileges and immunities thereof.

In Testimony Whereof, I have hereunto subscribed my name and caused the Great Seal of the State of Ohio to be affixed, at Columbus, this 22nd day of June, 2011.

By The Governor:



Secretary of State

SOS 1401 (07/07)

WHER

The State (	of Ohio		2 1
Stark	_County,	}	SS.



I do hereby swear that I will support the Constitution of the United States of America and Constitution of the State of Ohio, and that I will faithfully discharge the duties of the position to which I have been appointed, according to law, and to the best of my ability.

Sworn to before me, a Diputy Clark
in and for the County aforesaid, this 29

Pati Poplumo

IMPORTANT - For Notaries: this Public Commission must be recorded in office of County Clerk before notarial acts are performed.
(Section 147.05 of the Revised Code of Ohio)

North Conton, OH
44720



September 10, 2010

Mark and Michelle Fritz Fritz Dairy Farms 6301 Mackel Rd Minerva, OH 44657

RE: Oil and Gas Lease

Dear Mr. and Mrs. Fritz:

Enclosed you will find your copies of the Order of Payment for your Paid-Up oil and gas lease.

It is a pleasure doing business with you; please feel free to call me if you have any questions at 330.205.6149.

Sincerely,

Richard Owen Lease Acquisitions Kenyon Energy LLC

> Kenyon Energy LLC • 1425 S. Main Street • North Canton, OH 44720 Office 330-433-9474 • Toll-Free Fax 888-433-9811 • kenyonenergylic.com

Michele E. Fritz 6301 Mackel Rd. N.E. Minerva, OH 44657 December 7, 2012

Secretary of State Notary Department State Capital Building, Suite 157 K. 1900 Kanawha Blvd. E. Charleston, W. Virginia 25305

#### Attention Connie:

Enclosed is a check for 2 certified copies of Richard Owen's W. Virginia Notary Commission. Here is a copy of the information that I found on your website. I appreciate this very much. I am adding an envelope and making the check out for \$26.00, to cover any extra expenses this may have incurred.

Thank you,

Have a Wonderful Holiday!

Michile & Fitz

Michele E. Fritz

Fritz Dairy Farm, LLC

6301 Mackel Rd. N.E.

Minerva, OH 44657

(330)895-2876

mmfritz@yahoo.com

Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 77 of 182. PageID #: 315



## Natalie E. Tennant Secretary of State

I, hereby certify that, according to the official records
maintained in the office of the Secretary of State, Richard
Owen, was appointed a Notary Public by Governor Earl Ray
Tomblin with authority to exercise the functions of that office,
as provided by law, and shall hold that office for ten years from
the 9th day of November, 2011, unless the office is vacated.



Given under my hand and the Less Seal of the State of West Virginia this 12th day of November 2012

Natale Element

Natalie E. Tennant Secretary of State



Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 79 of 182. PageID #: 317

Subject: Your Requested Information CORP

From: Secretary of State Webmaster (webmaster@sos.ok.gov)

To: mmfritz@yahoo.com:

Date: Friday, December 7, 2012 5:19 PM

Dear Sir/Madam.

The Secretary of State's Office has processed your request.

Follow these steps to retrieve your work:

1) Go to the site:

https://www.sos.ok.gov/client/briefcase.aspx

- Enter session code 120712PQEZQX in the session code field.
- Click the spyglass button to Search.
- Select the document link(s) to download to your desktop.
- Unzip (decompress) the downloaded file(s).
- Use the latest version of Adobe Reader to view the Adobe PDF files.

http://www.minbc.com/products/acrobit/nonlistep//htm

f your email application does not recognize the above link, you may simply copy and paste the above link into your prowser.

Thank you for using the Oklahoma Secretary of State web interface.

Sincerely.

Office of the Secretary of State of Oklahoma

ttp://us-mg6.mail.yahoo.com/neo/launch

12/7/2012

03/08/2010 09:55 AM OKLAHOMA SECRETARY OF STATE





121 N.W. Sixth Street P.O. Box 177 Oklahoma City, OK 73101 800-522-3015 405-235-5319



**NOTARIAL BOND** 

BOND No. 0085607 Commission No. 10001680

KNOW ALL MEN BY THESE PRESENTS:	
That RICHARD OWEN of MIDWEST Control of MIDWEST CON	tary Public to do busi- nal sum of ne State of inistrators,
Dated this day ofMarch	2010
Whereas, the above bounder Principal has been appointed to the Office of Notary Public, within and fo of Oklahoma.	r the State
NOW, THE CONDITIONS OF THIS OBLIGATION ARE SUCH, That if said Principal shall faithfully, in perform all duties required by law as a Notary Public within and for said State during the term of said office I said appointment, then the above obligation to be void, else to remain in full force	all things, by virtue of
SURETY CO. DE COMMENT HERE DE LICHARD VII	Principal
WESTERN SURETY COMPAN	Y
OF STATE  By Cure See Stephens, Authorized	Agent .
ACKNOWLEDGMENT OF SURETY	
STATE OF OKLAHOMA sss	• ,
On this day of March, 2010, before me, a No	tary Public,
in and for said County, personally appeared Laura Sue Stephens, authorized agent of	•
WESTERN SURETY COMPANY, on behalf of the corporation.  Laura Rausy	,
My Commission Expires	ary Public
TO THE NOTARY	
Sign your name on the line below as you sign all public documents	w the same
Here SIGN HERE When When Were	<u>~</u>

Form 2019-4-2007

### Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 81 of 182. PageID #: 319

OATH OF OFFICE (Okla, Constitution Article XV)

STATE OF OKLAHOMA	1			1.1.		- '	
County of OKLAHOMA RICHARD OWEN	_ } ss						
obey, and defend the Constitution discharge the duties of my office or other valuable thing, to proceed expenses expressly authorized by to be done by others in my behalthing, for the performance or nor allowed by law; I further swear (cability)	with fidelity ure my no y law; that if; that I will iperforman or affirm) th	that I have mination or I have not kell not knowing toe of any ac hat I will faith	es, and the Conot paid, or conot paid, or conot paid, or conot paid, or conot paid, receive, do not pertain the Conot paid.	constitution contributed appointment at any alternative or aining to a	on of the S i, either direction, except election law indirectly, any office, of	tate of Okla ectly or indire t for necess v of the State any money of other than the	sary and proper te, or procured it or other valuable te compensation
E .	SIG HE	RE LE	(Sign Here)	$\triangle$	ichai	20	Principal
Subscribed and sworn to before	ore me this	04	day of _	Marc	<b>)</b>	0.	2010
					aura	year	wey
a <sup>il</sup>		•		0			officer authorized
,					to adr	ninister oatr	s or affirmations
My commission expires		Com	mission #				
(SEAL)						1.5	
A DOCOCOGO		1000					
San			Section 36.2	A)			
CTITE OF OWNERS							
STATE OF OKLAHOMA County of OKLAHOMA	} ss						
I do solemnly swear (or affirm Constitution and the laws of the Si duties of my office or employmen	tate of Okla	homa, and th	at I will faithful	lly dischar	s of the Uni	ted States o	America and the t of my ability, the
		CICINI	- 1	1	1.0	D	
		HERE	F _	ues	row	au	on
A COMPANY OF THE STREET		04	~	Mari	Affic	ant	2010
Subscribed and sworn to bef	ore me un	8 04	day of _	10	tita la	Ram	The second secon
			-	La	una	toon -	1
			a air	0.	Notary Put to ad	olic or other minister oat	officer authorized hs or affirmations
My commission expires (SEAL)		Con	nmission #				
MARIA RAME CONCORDED TO CONCORD	i).	160					
OF ON					7.75	Š)	2
					3.75	1 1 1	
•			•		100 - 200 200 - 200 200 - 200 200 - 200	1 1 1	



#### NOTARY PUBLIC COMMISSION

I, the undersigned Secretary of State of Oklahoma, by the authority of the State of Oklahoma and Title 49 of the Oklahoma Statutes, do hereby appoint and commission the following individual as a Notary Public in and for the State of Oklahoma:

Name : RICHARD OWEN

Commission Number : 10001680

City : MIDWEST CITY

County : OKLAHOMA

Commission Date : March 03, 2010

Expiration Date : March 03, 2014

THE STATE OF THE S

In testimony whereof, I have hereunto set my hand and affixed the Great Seal of the State of Oklahoma at the city of Oklahoma City.

Secretary of State

NOTARY FILINGS

Document Number: 13992970010 Filing Date: 3/3/2010

NOTARY INFORMATION

Notary Name

Commission Number

RICHARD OWEN

10001680

E-mail

Phone

W@AOL.COM

405-235-5319

Resident of Oklahoma

Yes

Commission Date

Commission Status

**Expiration Date** 

3/3/2010

Active

3/3/2014

OKLAHOMA RESIDENCE ADDRESS

411 CAMBRIDGE RD.

County

MIDWEST CITY, OK 73130

**OKLAHOMA** 

SIGNATURE

I am a Citizen of the United States - Yes

I have never been convincted of a felony offense - Yes

I am at least 18 years of Age - Yes

I hereby certify that the information provided on this form is true and correct to the best of my knowledge and by attaching the signature I agree and understand that the typed electronic signature shall have the same legal effect as an original signature and is being accepted as my original signature pursuant to the Oklahoma Uniform Electronic Transactions Act, Title 12A Oklha Statutes Section 15-101, et seq.

RICHARD OWEN

[End Of Image]

Support Request

Version 2.5

# Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 84 of 182. PageID #: 322 OKLAHOMA Secretary of State Electronic Orders

	29 10.2	Order Items In	formation
Commission Number	Quantity	Name	Order type
10001680	1	OWEN	Notary Copies
Order Item Details	3		
13992970010		Notary Copies	
10001680	1	OWEN	Notary Copies
Order Item Details	3		
14032200025			

# Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 85 of 182. PageID #: 323 OKLAHOMA Secretary of State Electronic Orders

Entity Orders Information Document Number 20675840003

		Order Items Inform	nation
Filing Number	Quantity	Name	Order type
3512344746	1	RGOWEN & ASSOC. LLC	Certificate of Good Standing
3512344746	1	RGOWEN & ASSOC. LLC	Information Printout
3512344746	1	RGOWEN & ASSOC. LLC	Long-form Certificate of Fact
3512344746	1	RGOWEN & ASSOC.	Certificate of Fact
Fact Order Item I	Details		
Status and Regist	ered agent	and office	
3512344746	1	RGOWEN & ASSOC.	Certified copies of a record or document
Order Item Detail	ls		
20398720002		Single Copy	
3512344746	1	RGOWEN & ASSOC.	Certified copies of a record or document
Order Item Detail	İs		
18476900002		Single Copy	
		[End Of Imag	e]

Entity Name: RGOWEN & ASSOC. LLC

Filing Number: 3512344746

Entity Type: Domestic Limited Liability Company

Entity Status: In Existence

EntityAddress:

411 CAMBRIDGE ROAD, MIDWEST CITY OK73130 USA

Perpetual

Agent Name: OWEN RICHARD

Agent Address: 411 CAMBRIDGE ROAD, MIDWEST CITY, OK 73130, USA

#### FILINGS:

Filing Type	Document #	Status	Filing Date	Effective Date
Articles of	18476900002	In Existence	01/27/2012	01/27/2012
Organization				
Annual Reports	20398720002		10/23/2012	10/23/2012

#### NAMES INFORMATION:

Name: RGOWEN & ASSOC. LLC

Name Type: Legal Name Name Status: In use

Filing Date: January 27, 2012

01/27/2012 03:54 PM OKLAHOMA SECRETARY OF STATE





PRINT LLEAKET

# ARTICLES OF ORGANIZATION OF AN OKLAHOMA LIMITED LIABILITY COMPANY

TO: OKLAHOMA SECRETARY OF STATE 2300 N Lincoln Blvd., Room 101, State Capitol Building Oklahoma City, Oklahoma 73105-4897 (405) 521-3912

The undersigned, for the purpose of forming an Oklahoma limited liability company pursuant to the provisions of 18 O.S., Section 2004, does bereby execute the following articles:

The name of the limited liability company (Note: The name must contain either the words limited liability

company or limited company or the abbreviations LLC, LC, L.L.C or L.C. The word limited may be abbreviated as Ltd. and the word Company may be abbreviated as Co.): ROOWEN & ASSOC, LLC The street address of its principal place of business, wherever located: 411 Cambridge Road Midwest City, OK 73130 Street address City State Zip Code The name and street address of the resident agent in the state of Oklahoma: Richard Owen 411 Cambridge Road Midwest City, 73130 Name Street Address State Zip Code City (P.O. Boxes are not acceptable.) perpetual The term of existence: Articles of organization must be signed by at least one person who need not be a member of the limited liability company. RECEIVED Signature JAN 9 7 2012 Richard Owen OKLAHOMA SECRETARY Type or Print Name: OF STATE 411 Cambridge Road Midwest City, OK 73130 Address

(SOS FORM 0073-11/99)



I THE UNDERSIGNED, Secretary of the State of Oklahoma, do hereby certify that I am, by the laws of said state, the custodian of the records of the state of Oklahoma relating to the right of corporations to transact business in this state and am the proper officer to execute this certificate.

I FURTHER CERTIFY that RGOWEN & ASSOC. LLC, 27th January, 2012

I FURTHER CERTIFY that the following amendments were filed in the Office of the Secretary of State as follows:

AMENDMENT STATUS DATE
Annual Reports October 23, 2012

I FURTHER CERTIFY that, RICHARD OWEN whose address is 411 CAMBRIDGE ROAD MIDWEST CITY OK 73130 is the registered agent for service of process for said corporation.

I FURTHER CERTIFY that RGOWEN & ASSOC. LLC, is a Domestic Limited Liability Company duly organized and existing under and by virtue of the laws of the state of Oklahoma and is in good standing according to the records of this office. This certificate is not to be construed as an endorsement, recommendation or notice of approval of the entity's financial condition or business activities and practices. Such information is not available from this office.



IN TESTIMONY WHEREOF, I hereunto set my hand and affixed the Great Seal of the State of Oklahoma, done at the City of Oklahoma City, this <a href="https://doi.org/10.2012/7th.2012">7th</a>, day of <a href="https://doi.org/10.2012</a>.

Secretary Of State

				. Doc #. 21 Filed. 03/08/13 8	
DATE	VOLUME		INSTRUMENT NO	NAME	INST. DATE
11/19/2010	64		201000004561	MUTTON	11/10/2010
11/19/2010	64		201000004562	MUTTON	11/11/2010
11/19/2010	64		201000004568	DAVID&JOHNNA SIMPSON	11/15/2010
11/19/2010	64		201000004569	BRENDA&JAMES MARTIN	11/15/2010
11/19/2010	64		201000004570	DOUGLAS & MARY PITTS	11/15/2010
11/19/2010	64		201000004571	KENNETH &CHRIS POLAND	11/15/2010
11/24/2010	64		201000004665	MICAH & BECKY HARTONG	11/17/2010
11/24/2010	64		201000004677	PAUL LUANNE DANIEL DANIELLE HADORN	11/20/2010
12/16/2010	65		201000005128	BEN, JOE & CAROL WRIGHT	12/8/2010
12/16/2010	65		201000005129	PHINEAS & MARY ELLEN YODER	12/8/2010
12/16/2010	65		201000005136	GREGORY R & KAREN WRIGHT	12/6/2010
12/16/2010	65		201000005137	RONALD & MELISSA COLLINS	12/10/2010
12/16/2010	65		201000005140	VIRGINIA DELONG	12/8/2010
12/16/2010	65		201000005142	MARJORIE & CHARLES ELLYSON	12/6/2010
12/22/2010	65		201000005262	MELVIN & MARTHA DETWEILER	12/21/2010
12/22/2010	65		201000005263	MERVIN & SAVANNAH DETWEILER	12/21/2010
12/22/2010	65		201000005268	FRED & TRICIA GREEN	12/14/2010
1/14/2011	66		201100000239	NATHANIEL & LORA MILLER	1/4/2011
1/14/2011	66		201100000240	RONALD & LORETTA MANGUN	1/7/2011
1/14/2011	66		201100000243	MARTIN & LUCY DETWEILER	1/6/2011
1/24/2011	66		201100000347	DEREK &JUDY CORBIN	1/11/2011
1/24/2011	66		201100000348	JASON SHAFFER	1/12/2011
1/24/2011	66		201100000349	ERVIN & MARION DETWEILER	1/10/2011
1/24/2011	66		201100000351	KENNETH & LUELLA YODER	1/5/2011
1/28/2011	66		201100000443	BENJAMIN & TAMMIE ERB	1/22/2011
2/14/2011	67		201100000677	MICHAEL & SUSAN CHESTNUT	2/3/2011
2/14/2011	67		201100000678	ROBERT & MYRA MYERS	2/4/2011
2/14/2011	67		201100000696	NATHAN & JOYCE OTT	1/5/2011
2/14/2011	67		201100000700	LESTER & MIRIAN OTT	1/5/2011
2/18/2011	67		201100000772	JOHN E & PATRICIA OSSLER	1/24/2011
2/18/2011	67		201100000776	ROBERT & AUDREY OSSLER	2/14/2011
2/18/2011	67	832	201100000777	WILLIAM & RUTH ANN OSSLER	2/14/2011
			201100000778	WILLIAM & RUTH ANN OSSLER	2/14/2011
2/25/2011	67		201100000869	RICHARD GORDON	2/23/2011
6/17/2011	70		201100003027	DAVID & SHEILA LANEY	6/15/2011
6/17/2011	70		201100003029	WANDA, VERNON C & KATHY CUMMINGS	6/13/2011
6/17/2011	70		201100003030	WANDA, VERNON C & KATHY CUMMINGS	6/13/2011
6/17/2011	70		201100003046	ALFRED &ROBIN KRULL	6/8/2011
6/17/2011	70		201100003049	SHERRY & JAY GROOM	6/10/2011
6/24/2011	70		201100003174	ROSEMARY & DON EDWARD BRACE	6/1/2011
6/24/2011	70		201100003178	JOHN & MARY BEADNELL	6/20/2011
6/24/2011	70		201100003179	DOUGLAS EDWARD STACK	6/21/2011
6/24/2011	70		201100003181	FRANK & EUZABETH CLUBBS	6/22/2011
7/8/2011	71		201100003417	DAVID &KERRY ANGIONE	6/9/2011
7/8/2011	71		201100003418	THOMAS & AMANDA HAUN	6/29/2011
7/15/2011	71		201100003554	YVONNE & DAVID FAVRE	7/8/2011
7/22/2011	71	2441	201100003717	FLOYD MELCHING IR	7/12/2011
				}	
			ĺ		
		l	I		ı l

Instrument Book Page 201000004561 OR 64 1940

201000004561
Filed for Record in
CARROLL COUNTY, DHIO
PATRICIA J. OYER, RECORDER
11-19-2010 At 10:55 am.
OIL GAS LS 52.00
DR Book 64 Page 1940 - 1944

#### PAID-UP OIL & GAS LEASE

Lease No.

04/10 - OH

This Lease, made this 10th day of November, 2010, by and between Delores M. Mutton, a widow, of 1337 Chapel Road, Carrollton, OH 44615, hereinafter collectively called "Lessor." and Chesapeake Exploration, L.L.C., 6100 N. Western Ave., Oklahoma City, OK 73118, hereinafter called "Lessee".

WITNESSETH, that for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their liquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment; to use and occupy the subsurface for a wellbore or wellbores to drill across, through and under the Leasehold.

<u>DESCRIPTION.</u> The Leasehold is located in the Township of CENTER, in the County of CARROLL, in the State of OHIO, and described as follows:

Township 015N; Range 006W; Section:07 Parcel #: 0900186000

and is bounded formerly or currently as follows:

On the North by lands now or formerly of
On the East by lands now or formerly of
On the South by lands now or formerly of
On the West by lands now or formerly of
Roswell

#### See attached Exhibit 'A' which is unrecorded.

including lands acquired from Edward R. Mutton and Delores M. Mutton, by virtue of deed dated October 20, 2009, and recorded in Book 56, at Page 1376, and described for the purposes of this agreement as containing a total of 30.9000 Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of FIVE (5) years from 12:00 A.M. November 10, 2010 (effective date) to 11:59 P.M. November 09, 2015 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

Instrument 201000004561 OR Book Page 64 1941

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.

EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for one additional term of five (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

#### NO AUTOMATIC TERMINATION OR FORFEITURE

- (A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).
- (B) LIMITATION OF FORFEITURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

<u>PAYMENTS TO LESSOR.</u> In addition to the bonus paid by Lessee for the execution hercof, Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

- (A) DELAY RENTAL: To pay Lessor as Dolay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.
- (B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:
- 1. OIL: To deliver to the credit of Lessor a Royalty equal to one-eighth (1/8) of the net revenue realized by Lessee for all oil and any constituents thereof produced and marketed from the Leasehold, less the cost to transport, handle, separate, meter, treat, process and market the oil.
- 2. GAS: To pay Lessor an amount equal to one-cighth (1/8) of the net revenue realized by Lessee for all gas and the constituents thereof produced and marketed from the Leasehold, less the cost to transport, gather, dehydrate, compress, market, meter, treat and process the gas and any losses in volumes to point of measurement that determines the revenue realized by Lessee. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).
- (C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leaschold or lands pooled/unitized therewith that is awaiting completion (such as hydraulic fracture stimulation), or that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.
- (D) SHUT-IN: In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.
- (E) DAMAGES: Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.

Instrument Book Page 201000004561 OR 64 1942

- (F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.
- (G) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.
- (H) TITLE: If Lessec receives evidence that Lessor does not have title to all or any part of the rights herein leased, Lessec may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.
- (I) LIENS: Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means. In the event the leased lands are encumbered by a prior mortgage, then, notwithstanding anything contained herein to the contrary, Lessee shall have the right to suspend the payment of any royalties due hereunder, without liability for interest, until such time as Lessor obtains at its own expense a subordination of the mortgage in a form acceptable to Lessee.
- (J) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessec to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessee has or will negotiate with any other lessor/oil and gas
- (K) PAYMENT REDUCTIONS: If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease, and the local property tax assessment calculation of the lands covered by the Lease, or the deeded acreage amount, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

FACILITIES. Lessee shall not drill a well on the Leasehold within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

Instrument 201000004561 DR Book Pase 64 1943

DISPOSAL AND INJECTION WELLS. Lessor hereby grants to Lessee the right to drill wells and/or reenter existing wells, including necessary location, roadway and pipeline easements and rights of way, on any part of the Leasehold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata, other than a potable water strata, of air, gas, brine, completion and production fluids, waste water and any hydrocarbon related substances from any source, including, but not limited to wells on the Leasehold or lands pooled or unitized therewith or from properties and lands outside the Leasehold or lands pooled or unitized therewith, and to conduct all operations as may be required, for so long as necessary and required by Lessee for purposes as herein provided. If, at the expiration of the primary term, Lessee is disposing and/or injecting into any subsurface strata underlying the Leasehold or lands pooled or unitized therewith or conducting operations for such disposal and/or injection and this lease is not being maintained by any other provision contained herein and no other payments are being made to Lessor as prescribed hereunder, Lessee shall pay to Lessor the sum of one thousand dollars (\$1,000.00) per year, proportionately reduced to Lesson's ownership in the Leasehold and surface as it bears to the full and undivided estate, beginning on the next anniversary date of this Lease and said payment and term of this Lease, insofar as to terms and provisions contained herein applicable to disposal and injection wells, shall continue annually thereafter for so long as necessary and required by Lessec for purposes as herein provided and until all disposal and/or injection wells located on the Leasehold or on lands pooled or unitized therewith are plugged and abandoned. Lessor agrees that if required by Lessee, regulatory agency or governmental authority having jurisdiction, Lessor shall enter a separate Disposal and Injection Agreement with Lessee for the purposes as herein provided.

TITLE AND INTERESTS. Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

COVENANTS. This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessee has no control

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this Lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease or the associated Order of Payment, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive remedy and cover all disputes, including but not limited to, the formation, execution, validity and performance of the Lease and Order of Payment. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessee is embodied herein and in the associated Order of Payment (if any). No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

<u>TITLE CURATIVE.</u> Lessor agrees to execute affidavits, ratifications, amendments, permits and other instruments as may be necessary to carry out the purpose of this lease.

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

SUCCESSORS. All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

Instrument Book Pase 201000004561 OR 64 1944

FORCE MAJEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure.

SEVERABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease.

COUNTERPARTS. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

See attached Exhibit 'A' which is unrecorded.

IN WITNESS WHEREOF, Lessor hereunto sets hand and seal.

Delores M. Mutton	mutton	(Seal)
		(Seal)

Document prepared by: Chesapeake Exploration, L.L.C., 6100 N. Western Ave., Oklahoma City, OK 73118

	m/:	ACKNOWLEDGEMENT
STATE OF	Ohio	)
	0.44	) SS:
COUNTY OF	Carroll	)
On this, the	D day of NOV	
Delores M. M	utton, a widow,	

known to me (or satisfactorily proven) to be the person(s) whose names(s) is/are subscribed to the within instrument, and acknowledged that she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I here unto set my hand and official seal.

My Commission Expires:

Signature/Notary Public:

Name/Notary Public (print):

Recorder: Return to Chesapeake Exploration, L.L.C., 6100 N. Western Ave., Oklahoma City, OK 73118

37702 OCAR

Richard Owen

1. Part Purch State of Ohio

201100000240 PMP
Filed for Record in
CARROLL COUNTY, OHIO
PATRICIA J. BYER, RECORDER
01-14-2011 At 09:57 am.
0IL GAS LS 60.00
OR Book 66 Page 1397 - 1402

#### PAID-UP OIL & GAS LEASE

Lease No.

04/10 - OH

This Lease, made this 7th day of January, 2011, by and between Ronald E. Mangun and Loretta L. Mangun, husband and wife, of 2033 Brush Road NE, East Rochester, OH 44625, hereinafter collectively called "Lessor." and Chesapeake Exploration, L.L.C., 6100 N. Western Ave., Oklahoma City, OK 73118, hereinafter called "Lessee".

WITNESSETH, that for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessoe agree as follows:

LFASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their liquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment; to use and occupy the subsurface for a wellbore or wellbores to drill across, through and under the Leasehold.

DESCRIPTION. See Exhibit B for lands described in AUGUSTA Township, CARROLL County, OHIO

Township 015N; Range 005W; Section:21 Parcel #: 0100701000 Township 015N; Range 005W; Section:09 Parcel #: 0200095000 Parcel #: 0200119001

## See attached Exhibit 'A' which is unrecorded and Exhibit 'B' attached hereto and made a part hereof.

and described for the purposes of this agreement as containing a total of 1.3440 Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of FIVE (5) years from 12:00 A.M. January 07, 2011 (effective date) to 11:59 P.M. January 06, 2016 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.

EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for one additional term of five (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

#### NO AUTOMATIC TERMINATION OR FORFEITURE

- (A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).
- (B) LIMITATION OF FORFEITURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

<u>PAYMENTS TO LESSOR.</u> In addition to the bonus paid by Lessee for the execution hereof, Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

- (A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.
- (B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:
- 1. OIL: To deliver to the credit of Lessor a Royalty equal to one-eighth (1/8) of the net revenue realized by Lessee for all oil and any constituents thereof produced and marketed from the Leasehold, less the cost to transport, handle, separate, meter, treat, process and market the oil.
- 2. GAS: To pay Lessor an amount equal to one-eighth (1/8) of the net revenue realized by Lessee for all gas and the constituents thereof produced and marketed from the Leasehold, less the cost to transport, gather, dehydrate, compress, market, meter, treat and process the gas and any losses in volumes to point of measurement that determines the revenue realized by Lessee. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).
- (C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that is awaiting completion (such as hydraulic fracture stimulation), or that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.
- (D) SHUT-IN: In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leaschold or lands pooled/unitized therewith, Lessee shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.
- (E) DAMAGES: Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.

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(F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and

payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.

- (G) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.
- (H) TITLE: If Lessee receives evidence that Lessor does not have title to all or any part of the rights herein leased, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.
- (1) LIENS: Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means. In the event the leased lands are encumbered by a prior mortgage, then, notwithstanding anything contained herein to the contrary, Lessee shall have the right to suspend the payment of any royalties due hereunder, without liability for interest, until such time as Lessor obtains at its own expense a subordination of the mortgage in a form acceptable to Lessee.
- (J) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessee has or will negotiate with any other lessor/oil and gas owner.
- (K) PAYMENT REDUCTIONS: If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease, and the local property tax assessment calculation of the lands covered by the Lease, or the deeded acreage amount, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

FACILITIES. Lessee shall not drill a well on the Leasehold within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well-drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

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DISPOSAL AND INJECTION WELLS. Lessor hereby grants to Lessee the right to drill wells and/or reenter existing wells, including necessary location, roadway and pipeline easements and rights of way, on any part of the Leasehold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata, other than a potable water strata, of air, gas, brine, completion and production fluids, waste water and any hydrocarbon related substances from any source, including, but not limited to wells on the Leasehold or lands pooled or unitized therewith or from properties and lands outside the Leasehold or lands pooled or unitized therewith, and to conduct all operations as may be required, for so long as necessary and required by Lessee for purposes as herein provided. If, at the expiration of the primary term, Lessee is disposing and/or injecting into any subsurface strata underlying the Leasehold or lands pooled or unitized therewith or conducting operations for such disposal and/or injection and this lease is not being maintained by any other provision contained herein and no other payments are being made to Lessor as prescribed hereunder, Lessee shall pay to Lessor the sum of one thousand dollars (\$1,000.00) per year,

proportionately reduced to Lessor's ownership in the Leasehold and surface as it bears to the full and undivided estate, beginning on the next anniversary date of this Lease and said payment and term of this Lease, insofar as to terms and provisions contained herein applicable to disposal and injection wells, shall continue annually thereafter for so long as necessary and required by Lessee for purposes as herein provided and until all disposal and/or injection wells located on the Leasehold or on lands pooled or unitized therewith are plugged and abandoned. Lessor agrees that if required by Lessee, regulatory agency or governmental authority having jurisdiction, Lessor shall enter a separate Disposal and Injection Agreement with Lessee for the purposes as herein provided.

<u>TITLE AND INTERESTS.</u> Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

<u>COVENANTS.</u> This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessee has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this Lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease or the associated Order of Payment, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive remedy and cover all disputes, including but not limited to, the formation, execution, validity and performance of the Lease and Order of Payment. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessee is embodied herein and in the associated Order of Payment (if any). No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

<u>TITLE CURATIVE.</u> Lessor agrees to execute affidavits, ratifications, amendments, permits and other instruments as may be necessary to carry out the purpose of this lease.

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

<u>SUCCESSORS.</u> All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

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FORCE MAJEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure.

SEVERABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease.

COUNTERPARTS. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

See attached Exhibit 'A' which is unrecorded.

IN WITNESS WHEREOF, Lessor hereunto sets hand and seal.

Document pre	pared by: Chesapeake I	Exploration, L.L.C., 6100 N. Western Ave., Oklahoma City, OK 73118
	- P -	ACKNOWLEDGEMENT
STATE OF	Ohio	)
	1	) SS:
COUNTY OF	Canoll	)
On this, the 87	th day of	) SS: )
Ronald E. Ma	ingun and Loretta L. N	langun, husband and wife,
known to me (o	or satisfactorily proven) to	be the person(s) whose names(s) is/are subscribed to the within instrument, and see for the purposes therein contained.
IN WITNESS	WHEREOF, I here unto s	set my hand and official seal.

My Commission Expires:

Signature/Notary Public:

Name/Notary Public

Western Ave., Oklahoma City, OK 73118

35654 OCAR

Recorder: Return to Chesapeake Explor

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#### EXHIBIT "B"

This Exhibit "B" is attached to and made part of that certain Oil and Gas Lease dated 1/7/2011, by and between Ronald E. Mangun and Loretta L. Mangun, husband and wife of 2033 Brush Road NE East Rochester, OH 44625 as Lessor and Chesapeake Exploration, L.L.C., 6100 N. Western Ave., Oklahoma City, OK 73118, as Lessee, and is made a part of said lease as if incorporated therein.

Property Tax Parcel Identification Number: 02-00119.001

and is bounded formerly or currently as follows:

On the North by lands now or formerly of
On the East by lands now or formerly of
On the South by lands now or formerly of
On the West by lands now or formerly of
Kreirhoff
Mangun
Kreirhoff

including lands acquired from Earnest H. Lutz, Jr. and Grace L. Lutz, husband and wife, by virtue of deed dated 12/26/1985, and recorded in Book 219, Page 717 and described for the purposes of this agreement as containing a total of 0.5490 Leasehold acres

Property Tax Parcel Identification Number: 02-00095.000

and is bounded formerly or currently as follows:

On the North by lands now or formerly of
On the East by lands now or formerly of
On the South by lands now or formerly of
On the West by lands now or formerly of
Pennock

including lands acquired from Mary Belle Johnson, unmarried; Norma Tingen, married; Martha Allen, married, and Nova Kinsey, married, by virtue of deed dated 10/07/1980, and recorded in Book 203, Page 346 and described for the purposes of this agreement as containing a total of 0.5100 Leasehold acres

Property Tax Parcel Identification Number: 01-00701.000

and is bounded formerly or currently as follows:

On the North by lands now or formerly of
On the East by lands now or formerly of
On the South by lands now or formerly of
On the West by lands now or formerly of
Craston
Craston

including lands acquired from James J. Murray and Phyllis A. Murray, husband and wife, by virtue of deed dated 10/19/1983, and recorded in Book 213, Page 451 and described for the purposes of this agreement as containing a total of 0.2850 Leaschold acres

SIGNED FOR IDENTIFICATION ONLY:

Q + & W

bretta L. Mangun

Instrument Boo 201100000443 BR

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201100000443 WM Filed for Record in CARROLL COUNTY, DHIO PATRICIA J. DYER, RECORDER 01-28-2011 At 09:23 am. 01L GAS LS 52.00 DR Book 66 Page 2247 - 2251

#### PAID-UP OIL & GAS LEASE

04/10 - OH

This Lease, made this 22nd day of January, 2011, by and between Benjamin A. Erb and Fannie P. Erb, husband and wife, of 2400 Andora NE, Carrollton, OH 44615, hereinafter collectively called "Lessor." and Chesapeake Exploration, L.L.C., 6100 N. Western Ave., Oklahoma City, OK 73118, hereinafter called "Lessee"

WITNESSETH, that for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their liquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment; to use and occupy the subsurface for a wellbore or wellbores to drill across, through and under the Leasehold.

<u>DESCRIPTION.</u> The Leasehold is located in the Township of WASHINGTON, in the County of CARROLL, in the State of OHIO, and described as follows:

Township 014N; Range 005W; Section:22

Parcel #: 3400170000

and is bounded formerly or currently as follows:

On the North by lands now or formerly of
On the East by lands now or formerly of
On the South by lands now or formerly of
On the West by lands now or formerly of

Andora Rd. Schmuck McCully Andora Rd.

#### See attached Exhibit 'A' which is unrecorded.

including lands acquired from <u>Barbara Johnson</u>, by virtue of deed dated <u>April 15, 2010</u>, and recorded in Book <u>59</u>, at Page <u>1451</u>, and described for the purposes of this agreement as containing a total of <u>12.7360</u> Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of FIVE (5) years from 12:00 A.M. January 22, 2011 (effective date) to 11:59 P.M. January 21, 2016 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

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If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.

EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for one additional term of five (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

#### NO AUTOMATIC TERMINATION OR FORFEITURE

- (A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cossation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).
- (B) LIMITATION OF FORFEITURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

<u>PAYMENTS TO LESSOR.</u> In addition to the bonus paid by Lessee for the execution hereof, Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

- (A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.
- (B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:
- 1. OIL: To deliver to the credit of Lessor a Royalty equal to one-eighth (1/8) of the net revenue realized by Lessee for all oil and any constituents thereof produced and marketed from the Leasehold, less the cost to transport, handle, separate, meter, treat, process and market the oil.
- 2. GAS: To pay Lessor an amount equal to one-eighth (1/8) of the net revenue realized by Lessee for all gas and the constituents thereof produced and marketed from the Leasehold, less the cost to transport, gather, dehydrate, compress, market, meter, treat and process the gas and any losses in volumes to point of measurement that determines the revenue realized by Lessee. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).
- (C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that is awaiting completion (such as hydraulic fracture stimulation), or that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.
- (D) SHUT-IN: In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.

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- (E) DAMAGES: Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.
- (F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and

payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.

- (G) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.
- (II) TITLE: If Lessee receives evidence that Lessor does not have title to all or any part of the rights herein leased, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.
- (I) LIENS: Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means. In the event the leased lands are encumbered by a prior mortgage, then, notwithstanding anything contained herein to the contrary, Lessee shall have the right to suspend the payment of any royalties due hereunder, without liability for interest, until such time as Lessor obtains at its own expense a subordination of the mortgage in a form acceptable to Lessee.
- (J) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessec has or will negotiate with any other lessor/oil and gas owner.
- (K) PAYMENT REDUCTIONS: If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease, and the local property tax assessment calculation of the lands covered by the Lease, or the deeded acreage amount, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

<u>FACILITIES</u>. Lessee shall not drill a well on the Leasehold within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

DISPOSAL AND INJECTION WELLS. Lessor hereby grants to Lessee the right to drill wells and/or reenter existing wells, including necessary location, roadway and pipeline easements and rights of way, on any part of the Leasehold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata, other than a potable water strata, of air, gas, brine, completion and production fluids, waste water and any hydrocarbon related substances from any source, including, but not limited to wells on the Leasehold or lands pooled or unitized therewith or from properties and lands outside the Leasehold or lands pooled or unitized therewith, and to conduct all operations as may be required, for so long as necessary and required by Lessee for purposes as herein provided. If, at the expiration of the primary term, Lessee is disposing and/or injecting into any subsurface strata underlying the Leasehold or lands pooled or unitized therewith or conducting operations for such disposal and/or injection and this lease is not being maintained by any other provision contained herein and no other payments are being made to Lessor as prescribed hereunder, Lessee shall pay to Lessor the sum of one thousand dollars (\$1,000.00) per year,

proportionately reduced to Lessor's ownership in the Leasehold and surface as it bears to the full and undivided estate, beginning on the next anniversary date of this Lease and said payment and term of this Lease, insofar as to terms and provisions contained herein applicable to disposal and injection wells, shall continue annually thereafter for so long as necessary and required by Lessee for purposes as herein provided and until all disposal and/or injection wells located on the Leasehold or on lands pooled or unitized therewith are plugged and abandoned. Lessor agrees that if required by Lessee, regulatory agency or governmental authority having jurisdiction, Lessor shall enter a separate Disposal and Injection Agreement with Lessee for the purposes as herein provided.

TITLE AND INTERESTS. Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

<u>COVENANTS.</u> This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessee has no control

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this Lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease or the associated Order of Payment, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive remedy and cover all disputes, including but not limited to, the formation, execution, validity and performance of the Lease and Order of Payment. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessee is embodied herein and in the associated Order of Payment (if any). No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

TITLE CURATIVE. Lessor agrees to execute affidavits, ratifications, amendments, permits and other instruments as may be necessary to carry out the purpose of this lease.

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

SUCCESSORS. All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

Instrument 201100000443 BR Book Page 66 2251

FORCE MAJEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or casements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure.

SEVERABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease.

<u>COUNTERPARTS.</u> This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

(Seal)

(Seal)

See attached Exhibit 'A' which is unrecorded.

IN WITNESS WHEREOF Lesson hereunto sets hand and seal.

Fanoi	ie P. Erb	
Document prep	pared by: Chesapeake Exploration, L.L.C	., 6100 N. Western Ave., Oklahoma City, OK 73118
OM LODG OF	OHIO ACKNOW	LEDGEMENT
STATE OF	01110	
COUNTY OF	Star K	)
On this, the 2	3 day of Jan 2011, before	e me a notary public, the undersigned officer, personally appeared
	Erb and Fannie P. Erb, husband and wi	
acknowledged th	where Commission Expires:	
	Signature/Notary Public:	Suchard Chiler
	Name/Notary Public (print):	
Recorder: Retu	rn to Chesapeake Exploration	Western Ave., Oklahoma City, OK 73118

Instrument 800k Page 201100000778 BR 67 837

201100000778 CAYON
Filed for Record in
CARROLL COUNTY, OHIO
PATRICIA J. OYER, RECORDER
02-18-2011 At 10:46 am.
OIL GAS LS 52.00
DR Book 67 Page 837 - 84

#### PAID-UP OIL & GAS LEASE

Lease No.

04/10 - OH

This Lease, made this 14th day of February, 2011, by and between William P. Ossier and Ruth A. Ossier, husband and wife; Arry Ossier, a widow, of 7218 Kensington Road, Carrollton, OH 44615, hereinafter collectively called "Lessor." and Chesapeake Exploration, L.L.C., 6100 N. Western Ave., Oklahoma City, OK 73118, hereinafter called "Lessee".

WITNESSETH, that for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their liquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment; to use and occupy the subsurface for a wellbore or wellbores to drill across, through and under the Leasehold.

<u>DESCRIPTION.</u> The Leasehold is located in the Township of AUGUSTA, in the County of CARROLL, in the State of OHIO, and described as follows:

Township 015N; Range 005W; Section:22 Parcel #: 0100391002

and is bounded formerly or currently as follows:

On the North by lands now or formerly of Ossler
On the East by lands now or formerly of State Route 9
On the South by lands now or formerly of Ossler
On the West by lands now or formerly of Ossler

#### See attached Exhibit 'A' which is unrecorded.

including lands acquired from Arry J. Ossler, an unremarried widow, by virtue of deed dated June 27, 2007, and recorded in Book 39, at Page 2273, and described for the purposes of this agreement as containing a total of 10.0461 Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

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LEASE TERM. This Lease shall remain in force for a primary term of FIVE (5) years from 12:00 A.M. February 14, 2011 (effective date) to 11:59 P.M. February 13, 2016 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.

EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for one additional term of five (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

#### NO AUTOMATIC TERMINATION OR FORFEITURE

- (A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).
- (B) LIMITATION OF FORFEITURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

<u>PAYMENTS TO LESSOR.</u> In addition to the bonus paid by Lessee for the execution hereof, Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

- (A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of <u>five dollars</u> (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.
- (B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:
- 1. OIL: To deliver to the credit of Lessor a Royalty equal to one-eighth (1/8) of the net revenue realized by Lessee for all oil and any constituents thereof produced and marketed from the Leasehold, less the cost to transport, handle, separate, meter, treat, process and market the oil.
- 2. GAS: To pay Lessor an amount equal to one-eighth (1/8) of the net revenue realized by Lessee for all gas and the constituents thereof produced and marketed from the Leasehold, less the cost to transport, gather, dehydrate, compress, market, meter, treat and process the gas and any losses in volumes to point of measurement that determines the revenue realized by Lessee. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).

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- (C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that is awaiting completion (such as hydraulic fracture stimulation), or that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.
- (D) SHUT-IN: In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.
- (E) DAMAGES: Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.
- (F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and
- payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.
- (G) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.
- (H) TITLE: If Lessee receives evidence that Lessor does not have title to all or any part of the rights herein leased, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.
- (I) LIENS: Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means. In the event the leased lands are encumbered by a prior mortgage, then, notwithstanding anything contained herein to the contrary, Lessee shall have the right to suspend the payment of any royalties due hereunder, without liability for interest, until such time as Lessor obtains at its own expense a subordination of the mortgage in a form acceptable to Lessee.
- (J) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessee has or will negotiate with any other lessor/oil and gas owner.
- (K) PAYMENT REDUCTIONS: If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease, and the local property tax assessment calculation of the lands covered by the Lease, or the deeded acreage amount, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

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FACILITIES. Lessee shall not drill a well on the Leasehold within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

DISPOSAL AND INJECTION WELLS. Lessor hereby grants to Lessee the right to drill wells and/or reenter existing wells, including necessary location, roadway and pipeline easements and rights of way, on any part
of the Leasehold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata,
other than a potable water strata, of air, gas, brine, completion and production fluids, waste water and any
hydrocarbon related substances from any source, including, but not limited to wells on the Leasehold or lands
pooled or unitized therewith or from properties and lands outside the Leasehold or lands pooled or unitized
therewith, and to conduct all operations as may be required, for so long as necessary and required by Lessee for
purposes as herein provided. If, at the expiration of the primary term, Lessee is disposing and/or injecting into any
subsurface strata underlying the Leasehold or lands pooled or unitized therewith or conducting operations for such
disposal and/or injection and this lease is not being maintained by any other provision contained herein and no
other payments are being made to Lessor as prescribed hereunder, Lessee shall pay to Lessor the sum of one
thousand dollars (\$1,000.00) per year,

proportionately reduced to Lessor's ownership in the Leasehold and surface as it bears to the full and undivided estate, beginning on the next anniversary date of this Lease and said payment and term of this Lease, insofar as to terms and provisions contained herein applicable to disposal and injection wells, shall continue annually thereafter for so long as necessary and required by Lessee for purposes as herein provided and until all disposal and/or injection wells located on the Leasehold or on lands pooled or unitized therewith are plugged and abandoned. Lessor agrees that if required by Lessee, regulatory agency or governmental authority having jurisdiction, Lessor shall enter a separate Disposal and Injection Agreement with Lessee for the purposes as herein provided.

TITLE AND INTERESTS. Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

<u>COVENANTS.</u> This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessee has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this Lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease or the associated Order of Payment, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive remedy and cover all disputes, including but not limited to, the formation, execution, validity and performance of the Lease and Order of Payment. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

ENTIRE CONTRACT. The entire agreement between Lessor and Lessee is embodied herein and in the associated Order of Payment (if any). No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

TITLE CURATIVE. Lessor agrees to execute affidavits, ratifications, amendments, permits and other instruments as may be necessary to carry out the purpose of this lease.

Instrument 201100000778 OR 800k Pase 67 841

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

<u>SUCCESSORS.</u> All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

FORCE MAJEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure.

SEVERABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease.

<u>COUNTERPARTS.</u> This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

See attached Exhibit 'A' which is unrecorded.

Ohio

STATE OF

Document prepared by: Chesapeake Exploration, L.L.C., 6100 N. Western Ave., Oklahoma City, OK 73118

**ACKNOWLEDGEMENT** 

COUNTY OF Canall	) SS:
COUNTY OF COUNTY OF	<b>_</b> ′
On this, the / 6 day of / 2017, before	me a notary public, the undersigned officer, personally appeared
William P. Ossler and Ruth A. Ossler, husband and w	rife; Arry Ossler, a widow,
known to me (or satisfactorily proven) to be the person(s) who acknowledged that they executed the same for the purposes the	se names(s) is/are subscribed to the within instrument, and crein contained.
IN WITNESS WHEREOF, I here unto set my hand and offici	ial seal.
IN WILLIAMS WILLIAMS IN THE SECOND HAND SHE STATE	
My Commission Expires:	9/20/2015
	11-0 0 61
State by Public:	Ruhard Ollen
* Notary Public, Usin (sf Ohio	() 1 1 6 /
My Commission Region 92-90-20 Mint):	Kichard Owen
to Chesapeake Exploration, L.L.C., 6100 N.	Western Ave., Oklahoma City, OK 73118
354 (QLOW	

Instrument 201100003029 DR Book Page 70 2145

201100003029 Filed for Record in CARROLL COUNTY, DHIO PATRICIA J. DYER, RECORDER 06-17-2011 At 02:16 pm.
DIL GAS LS 68.00
DR Book 70 Page 2145 - 2151

#### PAID-UP OIL & GAS LEASE

04/10 - OH

Lease No.

This Lease, made this 13th day of June, 2011, by and between Wanda L. Cummings a/k/a Wanda Cummings, a widow; Vernon C. Cummings and Kathy Jo Cummings, husband and wife, of 2285 Antigua Road SW, Carrollton, OH 44615, hereinafter collectively called "Lessor." and Chesapeake Exploration, L.L.C., 6100 N. Western Ave., Oklaboma City, OK 73118, hereinafter called "Lessee".

WITNESSETH, that for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their liquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment; to use and occupy the subsurface for a wellbore or wellbores to drill across, through and under the Leasehold.

DESCRIPTION. See Exhibit B for lands described in UNION Township, CARROLL County, OHIO

Township 014N; Range 006W; Section:17 Parcel #: 3300271000
Township 014N; Range 006W; Section:11 Parcel #: 3300272000
Township 014N; Range 006W; Section:17 Parcel #: 3300273000
Township 014N; Range 006W; Section:17 Parcel #: 3300274000
Township 014N; Range 006W; Section:17 Parcel #: 3300275000
Township 014N; Range 006W; Section:17 Parcel #: 3300276000

# See attached Exhibit 'A' which is unrecorded and Exhibit 'B' attached hereto and made a part hereof.

and described for the purposes of this agreement as containing a total of <u>277.5800</u> Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of FIVE (5) years from 12:00 A.M. June 13, 2011 (effective date) to 11:59 P.M. June 12, 2016 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.

Instrument 201100003029 OR Book Pase 70 2146

EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for one additional term of five (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

#### NO AUTOMATIC TERMINATION OR FORFEITURE

- (A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).
- (B) LIMITATION OF FORFETTURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

<u>PAYMENTS TO LESSOR.</u> In addition to the bonus paid by Lessee for the execution bereof, Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

- (A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of five dollars (\$5.00) per net acre per year payable in advance. The parties hereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.
- (B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:
- 1. OIL: To deliver to the credit of Lessor a Royalty equal to one-eighth (1/8) of the net revenue realized by Lessee for all oil and any constituents thereof produced and marketed from the Leasehold, less the cost to transport, handle, separate, meter, treat, process and market the oil.
- 2. GAS: To pay Lessor an amount equal to one-eighth (1/8) of the net revenue realized by Lessee for all gas and the constituents thereof produced and marketed from the Leasehold, less the cost to transport, gather, dehydrate, compress, market, meter, treat and process the gas and any losses in volumes to point of measurement that determines the revenue realized by Lessee. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).
- (C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that is awaiting completion (such as hydraulic fracture stimulation), or that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.
- (D) SHUT-IN: In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.
- (E) DAMAGES: Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.
- (F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and

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payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.

- (G) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.
- (H) TITLE: If Lessee receives evidence that Lessor does not have title to all or any part of the rights herein leased, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.
- (I) LIENS: Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means. In the event the leased lands are encumbered by a prior mortgage, then, notwithstanding anything contained herein to the contrary, Lessee shall have the right to suspend the payment of any royalties due hereunder, without liability for interest, until such time as Lessor obtains at its own expense a subordination of the mortgage in a form acceptable to Lessee.
- (J) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessee has or will negotiate with any other lessor/oil and gas owner.
- (K) PAYMENT REDUCTIONS: If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

UNITIZATION AND POOLING. Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease, and the local property tax assessment calculation of the lands covered by the Lease, or the deeded acreage amount, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

<u>FACILITIES</u>. Lessee shall not drill a well on the Leasehold within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

DISPOSAL AND INJECTION WELLS. Lessor hereby grants to Lessee the right to drill wells and/or reenter existing wells, including necessary location, roadway and pipeline easements and rights of way, on any part of
the Leasehold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata, other
than a potable water strata, of air, gas, brine, completion and production fluids, waste water and any hydrocarbon
related substances from any source, including, but not limited to wells on the Leasehold or lands pooled or unitized
therewith or from properties and lands outside the Leasehold or lands pooled or unitized therewith, and to conduct
all operations as may be required, for so long as necessary and required by Lessee for purposes as herein provided.
If, at the expiration of the primary term, Lessee is disposing and/or injecting into any subsurface strata underlying
the Leasehold or lands pooled or unitized therewith or conducting operations for such disposal and/or injection and
this lease is not being maintained by any other provision contained herein and no other payments are being made to
Lessor as prescribed hereunder, Lessee shall pay to Lessor the sum of one thousand dollars (\$1,000.00) per year,

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proportionately reduced to Lessor's ownership in the Leasehold and surface as it bears to the full and undivided estate, beginning on the next anniversary date of this Lease and said payment and term of this Lease, insofar as to terms and provisions contained berein applicable to disposal and injection wells, shall continue annually thereafter for so long as necessary and required by Lessee for purposes as berein provided and until all disposal and/or injection wells located on the Leasehold or on lands pooled or unitized therewith are plugged and abandoned. Lessor agrees that if required by Lessee, regulatory agency or governmental authority having jurisdiction, Lessor shall enter a separate Disposal and Injection Agreement with Lessee for the purposes as herein provided.

TITLE AND INTERESTS. Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

<u>COVENANTS.</u> This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessec has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this Lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease or the associated Order of Payment, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive remedy and cover all disputes, including but not limited to, the formation, execution, validity and performance of the Lease and Order of Payment. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

<u>ENTIRE CONTRACT.</u> The entire agreement between Lessor and Lessee is embodied herein and in the associated Order of Payment (if any). No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

TITLE CURATIVE. Lessor agrees to execute affidavits, ratifications, amendments, permits and other instruments as may be necessary to carry out the purpose of this lease.

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

<u>SUCCESSORS</u>. All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

FORCE MAJEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations bereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure.

SEVERABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease.

<u>COUNTERPARTS</u>. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

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See attached Exhibit 'A' which is unrecorded.

IN WITNESS WHEREOF, Lessor hercunto sets hand and seal.

Wanda L. Cummings

Vernon C. Cummings

Kathy Jo Cummings

Kathy Jo Cummings

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Book Page 201100003029 DR

#### EXHIBIT "R"

This Exhibit "B" is attached to and made part of that certain Oil and Gas Leese dated 6/13/2011, by and between Wanda L. Cummings a/k/a Wanda Cummings, a widow; Vernon C. Cummings and Kathy Jo Cummings, busband and wife of 2285
Antique Road SW Carrollton, OH 44615 as Lessor and Chesapeake Exploration, L.L.C., 6100 N. Western Ave., Oktaborna City, OK 73118, as Lessee, and is made a part of said lease as if incorporated therein.

Property Tax Parcel Eduntification Number: 33-00275.000

and is bounded formerly or currently as follows:

On the North by lands now or formerly of Long

On the East by lands now or formerly of Cummings; Antiqua Road On the South by lands now or formerly of Antigua Road; Scroll Road

On the West by lands now or formerly of Scroll Road; Bennett; Baris; Tomford and Hallerberg

including lands acquired from Homer C. Cummings and Wanda Cummings, husband and wife, by virtue of deed dated 04/04/2001, and recorded in Book 299, Page 436 and described for the purposes of this agreement as containing a total of 52.9300 Leasehold acres

Property Tax Parcel Identification Number: 33-00272.000

and is bounded formerly or currently as follows:

On the North by lands now or formerly of Campbell; Silver Road

On the East by lands now or formerly of Silver Road

On the South by lands now or formerly of Silver Road; Ruiledge

On the West by lands now or formerly of Cummings

including fands acquired from Wanda L. Cummings, a married woman, by virtue of deed dated 04/04/2001, and recorded in Book 299, Page 433 and described for the purposes of this agreement as containing a total of 36.5100 Leasehold acres

#### Property Tax Parcel Identification Number: 33-00276,000

and is bounded formerly or currently as follows:

On the North by lands now or formerly of Antigua Road; Long On the East by lands now or formerly of Autigua Road; Cummings On the South by lands now or formerly of Antigua Road; Claugus Antigua Road; Curamings On the West by lands now or formerly of

including lands acquired from Wands L. Cummings, a married woman, by virtue of deed dated 04/04/2001, and recorded in Book 299, Page 433 and described for the purposes of this agreement as containing a total of 75,0000 Leasehold acres

Property Tax Parcel Identification Number: 33-00274.000

and is bounded formerly or currently as follows:

On the North by lands now or formerly of Long Cummings On the last by lands now or formerly of On the South by lands now or formerly of Long Cummings On the West by lands now or formerly of

including tands acquired from Wanda L. Cummings, a married woman, by virtue of deed dated 04/04/2001, and recorded in Book 299, Page 436 and described for the purposes of this agreement as containing a total of 43.5000 Leasehold acres

Instrument 201100003029 DR

Property Tax Parcel Identification Number: 33-00273.000

and is bounded formerly or currently as follows:

On the North by lands now or formerly of Cummings On the East by lands now or formerly of **Cummings** On the South by lands now or formerly of Claugus On the West by lands now or formerly of Cummings

including lands acquired from Wanda L. Cummings, a married woman, by virtue of deed dated 04/04/2001, and recorded in Book 299, Page 433 and described for the purposes of this agreement as containing a total of 43.5000 Leasehold acres

Property Tax Parcel Identification Number: 33-00271.000

and is bounded formerly or currently as follows:

Antigua Road; Long On the North by lands now or formerly of Antigua Road; Cummings On the East by lands now or formerly of On the South by lands now or formerly of Antigua Road; Beadnell On the West by lands now or formerly of Antigua Road; Cummings

including lands acquired from Wanda L. Cummings, a married woman, by virtue of deed dated 04/04/2001, and recorded in Book 299, Page 433 and described for the purposes of this agreement as containing a total of 26.1400 Leasehold acres

SIGNED FOR IDENTIFICATION ONLY:

201100003717 Kenym Filed for Record in CARROLL COUNTY, DHID FATRICIA J. DYER, RECORDER -07-22-2011 At 09:44 am. DIL GAS LS 52.00 -08 Book 71 Page 2441 - 2445

Lease No.

#### PAID-UP OIL & GAS LEASE

04/10 - OH

This Lease, made this 12th day of July, 2011, by and between Floyd M. Melching, Jr., a single person, of 6185 Plymouth Road SE, Carrollton, OH 44615, hereinafter collectively called "Lessor." and Chesapeake Exploration, L.L.C., 6100 N. Western Ave., Oklahoma City, OK 73118, hereinafter called "Lessee".

WITNESSETH, that for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and of the mutual covenants and agreements hereinafter set forth, the Lessor and Lessee agree as follows:

LEASING CLAUSE. Lessor hereby leases exclusively to Lessee all the oil and gas (including, but not limited to coal seam gas, coalbed methane gas, coalbed gas, methane gas, gob gas, occluded methane/natural gas and all associated natural gas and other hydrocarbons and non-hydrocarbons contained in, associated with, emitting from, or produced/originating within any formation, gob area, mined-out area, coal seam, and all communicating zones), and their liquid or gaseous constituents, whether hydrocarbon or non-hydrocarbon, underlying the land herein leased, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to explore for, develop, produce, measure, and market production from the Leasehold, and from adjoining lands, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to drill, maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telephone facilities, and to construct pipelines with appurtenant facilities, including data acquisition, compression and collection facilities for use in the production and transportation of products from the Leasehold or from neighboring lands across the Leasehold, to use oil, gas, and non-domestic water sources, free of cost, to store gas of any kind underground, regardless of the source thereof, including the injecting of gas therein and removing the same therefrom; to protect stored gas; to operate, maintain, repair, and remove material and equipment; to use and occupy the subsurface for a wellbore or wellbores to drill across, through and under the Leasehold.

<u>DESCRIPTION.</u> The Leasehold is located in the Township of **PERRY**, in the County of **CARROLL**, in the State of **OHIO**, and described as follows:

Township 013N; Range 005W; Section:31 Parcel #: 2800207001

and is bounded formerly or currently as follows:

On the North by lands now or formerly of
On the East by lands now or formerly of
On the South by lands now or formerly of
On the West by lands now or formerly of
Ghinga
Ghinga; Atkins

#### See attached Exhibit 'A' which is unrecorded.

October 24, 2003, and recorded in Book 313, at Page 716, and described for the purposes of this agreement as containing a total of 5.5930 Leasehold acres, whether actually more or less, and including contiguous lands owned by Lessor. This Lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor, by limitation, prescription, possession, reversion or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land.

LEASE TERM. This Lease shall remain in force for a primary term of FIVE (5) years from 12:00 A.M. July 12, 2011 (effective date) to 11:59 P.M. July 11, 2016 (last day of primary term) and shall continue beyond the primary term as to the entirety of the Leasehold if any of the following is satisfied: (i) operations are conducted on the Leasehold or lands pooled/unitized therewith in search of oil, gas, or their constituents, or (ii) a well deemed by Lessee to be capable of production is located on the Leasehold or lands pooled/unitized therewith, or (iii) oil or gas, or their constituents, are produced from the Leasehold or lands pooled/unitized therewith, or (iv) if the Leasehold or lands pooled/unitized therewith is used for the underground storage of gas, or for the protection of stored gas, or (v) if prescribed payments are made, or (vi) if Lessee's operations are delayed, postponed or interrupted as a result of any coal, stone or other mining or mining related operation under any existing and effective lease, permit or authorization covering such operations on the leased premises or on other lands affecting the leased premises, such delay will automatically extend the primary or secondary term of this oil and gas lease without additional compensation or performance by Lessee for a period of time equal to any such delay, postponement or interruption.

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If there is any dispute concerning the extension of this Lease beyond the primary term by reason of any of the alternative mechanisms specified herein, the payment to the Lessor of the prescribed payments provided below shall be conclusive evidence that the Lease has been extended beyond the primary term.

EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for one additional term of five (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

#### NO AUTOMATIC TERMINATION OR FORFEITURE

- (A) CONSTRUCTION OF LEASE: The language of this Lease (including, but not limited to, the Lease Term and Extension of Term clauses) shall never be read as language of special limitation. This Lease shall be construed against termination, forfeiture, cancellation or expiration and in favor of giving effect to the continuation of this Lease where the circumstances exist to maintain this Lease in effect under any of the alternative mechanisms set forth above. In connection therewith, (i) a well shall be deemed to be capable of production if it has the capacity to produce a profit over operating costs, without regard to any capital costs to drill or equip the well, or to deliver the oil or gas to market, and (ii) the Lessee shall be deemed to be conducting operations in search of oil or gas, or their constituents, if the Lessee is engaged in geophysical and other exploratory work including, but not limited to, activities to drill an initial well, to drill a new well, or to rework, stimulate, deepen, sidetrack, frac, plug back in the same or different formation or repair a well or equipment on the Leasehold or any lands pooled/unitized therewith (such activities shall include, but not be limited to, performing any preliminary or preparatory work necessary for drilling, conducting internal technical analysis to initiate and/or further develop a well, obtaining permits and approvals associated therewith and may include reasonable gaps in activities provided that there is a continuum of activities showing a good faith effort to develop a well or that the cessation or interruption of activities was beyond the control of Lessee, including interruptions caused by the acts of third parties over whom Lessee has no control or regulatory delays associated with any approval process required for conducting such activities).
- (B) LIMITATION OF FORFEITURE: This Lease shall never be subject to a civil action or proceeding to enforce a claim of termination, cancellation, expiration or forfeiture due to any action or inaction by the Lessee, including, but not limited to making any prescribed payments authorized under the terms of this Lease, unless the Lessee has received written notice of Lessor's demand and thereafter fails or refuses to satisfy or provide justification responding to Lessor's demand within 60 days from the receipt of such notice. If Lessee timely responds to Lessor's demand, but in good faith disagrees with Lessor's position and sets forth the reasons therefore, such a response shall be deemed to satisfy this provision, this Lease shall continue in full force and effect and no further damages (or other claims for relief) will accrue in Lessor's favor during the pendency of the dispute, other than claims for payments that may be due under the terms of this Lease.

<u>PAYMENTS TO LESSOR.</u> In addition to the bonus paid by Lessee for the execution hereof. Lessee covenants to pay Lessor, proportionate to Lessor's percentage of ownership, as follows:

- (A) DELAY RENTAL: To pay Lessor as Delay Rental, after the first year, at the rate of <u>five dollars</u> (\$5.00) per net acre per year payable in advance. The parties bereto agree that this is a Paid-Up Lease with no further Delay Rental and/or Delay in Marketing payments due to Lessor during the primary term hereof.
- (B) ROYALTY: To pay Lessor as Royalty, less all taxes, assessments, and adjustments on production from the Leasehold, as follows:
- 1. OIL: To deliver to the credit of Lessor a Royalty equal to one-eighth (1/8) of the net revenue realized by Lessee for all oil and any constituents thereof produced and marketed from the Leasehold, less the cost to transport, handle, separate, meter, treat, process and market the oil.
- 2. GAS: To pay Lessor an amount equal to one-eighth (1/8) of the net revenue realized by Lessee for all gas and the constituents thereof produced and marketed from the Leasehold, less the cost to transport, gather, dehydrate, compress, market, meter, treat and process the gas and any losses in volumes to point of measurement that determines the revenue realized by Lessee. Lessee may withhold Royalty payment until such time as the total withheld exceeds fifty dollars (\$50.00).
- (C) DELAY IN MARKETING: In the event that Lessee drills a well on the Leasehold or lands pooled/unitized therewith that is awaiting completion (such as hydraulic fracture stimulation), or that Lessee deems to be capable of production, but does not market producible gas, oil, or their constituents therefrom and there is no other basis for extending this Lease, Lessee shall pay after the primary term and until such time as marketing is established (or Lessee surrenders the Lease) a Delay in Marketing payment equal in amount and frequency to the annual Delay Rental payment, and this Lease shall remain in full force and effect to the same extent as payment of Royalty.
- (D) SHUT-IN: In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of twelve (12) months, and there is no producing well on the Leasehold or lands pooled/unitized therewith, Lessee shall thereafter, as Royalty for constructive production, pay a Shut-in Royalty equal in amount and frequency to the annual Delay Rental payment until such time as production is re-established (or lessee surrenders the Lease) and this Lease shall remain in full force and effect. During Shut-in, Lessee shall have the right to rework, stimulate, or deepen any well on the Leasehold or to drill a new well on the Leasehold in an effort to re-establish production, whether from an original producing formation or from a different formation. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than twelve (12) months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.
- (E) DAMAGES: Lessee will remove unnecessary equipment and materials and reclaim all disturbed lands at the completion of activities, and Lessee agrees to repair any damaged improvements to the land and pay for the loss of growing crops or marketable timber.

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- (F) MANNER OF PAYMENT: Lessee shall make or tender all payments due hereunder by check, payable to Lessor, at Lessor's last known address, and Lessee may withhold any payment pending notification by Lessor of a change in address. Payment may be tendered by mail or any comparable method (e.g., Federal Express), and payment is deemed complete upon mailing or dispatch. Where the due date for any payment specified herein falls on a holiday, Saturday or Sunday, payment tendered (mailed or dispatched) on the next business day is timely.
- (G) CHANGE IN LAND OWNERSHIP: Lessee shall not be bound by any change in the ownership of the Leasehold until furnished with such documentation as Lessee may reasonably require. Pending the receipt of documentation, Lessee may elect either to continue to make or withhold payments as if such a change had not occurred.
- (H) TITLE: If Lessee receives evidence that Lessor does not have title to all or any part of the rights herein leased, Lessee may immediately withhold payments that would be otherwise due and payable hereunder to Lessor until the adverse claim is fully resolved.
- (f) LIENS: Lessee may at its option pay and discharge any past due taxes, mortgages, judgments, or other liens and encumbrances on or against any land or interest included in the Leasehold; and Lessee shall be entitled to recover from the debtor, with legal interest and costs, by deduction from any future payments to Lessor or by any other lawful means. In the event the leased lands are encumbered by a prior mortgage, then, notwithstanding anything contained herein to the contrary, Lessee shall have the right to suspend the payment of any royalties due hereunder, without liability for interest, until such time as Lessor obtains at its own expense a subordination of the mortgage in a form acceptable to Lessee.
- (J) CHARACTERIZATION OF PAYMENTS: Payments set forth herein are covenants, not special limitations, regardless of the manner in which these payments may be invoked. Any failure on the part of the Lessee to timely or otherwise properly tender payment can never result in an automatic termination, expiration, cancellation, or forfeiture of this Lease. Lessor recognizes and acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, can vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor hereby agrees that the payment terms, as set forth herein, and any bonus payments paid to Lessor constitute full consideration for the Leasehold. Lessor further agrees that such payment terms and bonus payments are final and that Lessor will not seek to amend or modify the lease payments, or seek additional consideration based upon any differing terms which Lessee has or will negotiate with any other lessor/oil and gas owner.
- (K) PAYMENT REDUCTIONS: If Lessor owns a lesser interest in the oil or gas than the entire undivided fee simple estate, then the rentals (except for Delay Rental payments as set forth above), royalties and shut-in royalties hereunder shall be paid to Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

<u>UNITIZATION AND POOLING.</u> Lessor grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at a time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Pooling or unitizing in one or more instances shall not exhaust Lessee's pooling and unitizing rights hereunder, and Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit created. Lessor agrees to accept and receive out of the production or the revenue realized from the production of such unit, such proportional share of the Royalty from each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. Otherwise, as to any part of the unit, drilling, operations in preparation for drilling, production, or shut-in production from the unit, or payment of Royalty, Shut-in Royalty, Delay in Marketing payment or Delay Rental attributable to any part of the unit (including non-Leasehold land) shall have the same effect upon the terms of this Lease as if a well were located on, or the subject activity attributable to, the Leasehold. In the event of conflict or inconsistency between the Leasehold acres ascribed to the Lease, and the local property tax assessment calculation of the lands covered by the Lease, or the deeded acreage amount, Lessee may, at its option, rely on the latter as being determinative for the purposes of this paragraph.

<u>FACILITIES</u>. Lessee shall not drill a well on the Leasehold within 200 feet of any structure located on the Leasehold without Lessor's written consent. Lessor shall not erect any building or structure, or plant any trees within 200 feet of a well or within 25 feet of a pipeline without Lessee's written consent. Lessor shall not improve, modify, degrade, or restrict roads and facilities built by Lessee without Lessee's written consent.

CONVERSION TO STORAGE. Lessee is hereby granted the right to convert the Leasehold or lands pooled/unitized therewith to gas storage. At the time of conversion, Lessee shall pay Lessor's proportionate part for the estimated recoverable gas remaining in any well drilled pursuant to this Lease using methods of calculating gas reserves as are generally accepted by the natural gas industry and, in the event that all wells on the Leasehold and/or lands pooled/unitized therewith have permanently ceased production, Lessor shall be paid a Conversion to Storage payment in an amount equal to Delay Rental for as long thereafter as the Leasehold or lands pooled/unitized therewith is/are used for gas storage or for protection of gas storage; such Conversion to Storage payment shall first become due upon the next ensuing Delay Rental anniversary date. The use of any part of the Leasehold or lands pooled or unitized therewith for the underground storage of gas, or for the protection of stored gas will extend this Lease beyond the primary term as to all rights granted by this Lease, including but not limited to production rights, regardless of whether the production and storage rights are owned together or separately.

Instrument 201100003717 DR

Book Pase 71 2444

DISPOSAL AND INIECTION WELLS. Lessor hereby grants to Lessee the right to drill wells and/or reenter existing wells, including necessary location, roadway and pipeline easements and rights of way, on any part of the Leasehold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata, other than a potable water strata, of air, gas, brine, completion and production fluids, waste water and any hydrocarbon related substances from any source, including, but not limited to wells on the Leasehold or lands pooled or unitized therewith or from properties and lands outside the Leasehold or lands pooled or unitized therewith, and to conduct all operations as may be required, for so long as necessary and required by Lessee for purposes as herein provided. If, at the expiration of the primary term, Lessee is disposing and/or injecting into any subsurface strata underlying the Leasehold or lands pooled or unitized therewith or conducting operations for such disposal and/or injection and this lease is not being maintained by any other provision contained herein and no other payments are being made to Lessor as prescribed hereunder, Lessee shall pay to Lessor the sum of one thousand dollars (\$1,000.00) per year, proportionately reduced to Lessor's ownership in the Leasehold and surface as it bears to the full and undivided estate, beginning on the next anniversary date of this Lease and said payment and term of this Lease, insofar as to terms and provisions contained herein applicable to disposal and injection wells, shall continue annually thereafter for so long as necessary and required by Lessee for purposes as herein provided and until all disposal and/or injection wells located on the Leasehold or on lands pooled or unitized therewith are plugged and abandoned. Lessor agrees that if required by Lessee, regulatory agency or governmental authority having jurisdiction, Lessor shall enter a separate Disposal and Injection Agreement with Lessee for the purposes as herein provided.

TITLE AND INTERESTS. Lessor hereby warrants generally and agrees to defend title to the Leasehold and covenants that Lessee shall have quiet enjoyment hereunder and shall have benefit of the doctrine of after acquired title. Should any person having title to the Leasehold fail to execute this Lease, the Lease shall nevertheless be binding upon all persons who do execute it as Lessor.

LEASE DEVELOPMENT. There is no implied covenant to drill, prevent drainage, further develop or market production within the primary term or any extension of term of this Lease. There shall be no Leasehold forfeiture, termination, expiration or cancellation for failure to comply with said implied covenants. Provisions herein, including, but not limited to the prescribed payments, constitute full compensation for the privileges herein granted.

<u>COVENANTS</u>. This Lease and its expressed or implied covenants shall not be subject to termination, forfeiture of rights, or damages due to failure to comply with obligations if compliance is effectively prevented by federal, state, or local law, regulation, or decree, or the acts of God and/or third parties over whom Lessee has no control.

RIGHT OF FIRST REFUSAL. If at any time within the primary term of this Lease or any continuation or extension thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease ("Top Lease") covering all or part of the Leasehold, Lessee shall have the continuing option by meeting any such offer to acquire a Top Lease on equivalent terms and conditions. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such Top Lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the Top Lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any Top Lease granted by Lessor in violation of this provision shall be null and void.

ARBITRATION. In the event of a disagreement between Lessor and Lessee concerning this Lease or the associated Order of Payment, performance thereunder, or damages caused by Lessee's operations, the resolution of all such disputes shall be determined by arbitration in accordance with the rules of the American Arbitration Association. Arbitration shall be the exclusive remedy and cover all disputes, including but not limited to, the formation, execution, validity and performance of the Lease and Order of Payment. All fees and costs associated with the arbitration shall be borne equally by Lessor and Lessee.

<u>ENTIRE CONTRACT</u>. The entire agreement between Lessor and Lessee is embodied herein and in the associated Order of Payment (if any). No oral warranties, representations, or promises have been made or relied upon by either party as an inducement to or modification of this Lease.

TITLE CURATIVE. Lessor agrees to execute affidavits, ratifications, amendments, permits and other instruments as may be necessary to carry out the purpose of this lease.

SURRENDER. Lessee, at any time, and from time to time, may surrender and cancel this Lease as to all or any part of the Leasehold by recording a Surrender of Lease and thereupon this Lease, and the rights and obligations of the parties hereunder, shall terminate as to the part so surrendered; provided, however, that upon each surrender as to any part of the Leasehold, Lessee shall have reasonable and convenient easements for then existing wells, pipelines, pole lines, roadways and other facilities on the lands surrendered.

<u>SUCCESSORS.</u> All rights, duties, and liabilities herein benefit and bind Lessor and Lessee and their heirs, successors, and assigns.

FORCE MAIEURE. All express or implied covenants of this Lease shall be subject to all applicable laws, rules, regulations and orders. When drilling, reworking, production or other operations hereunder, or Lessee's fulfillment of its obligations hereunder are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this Lease shall not terminate, in whole or in part, because of such prevention or delay, and, at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable in damages for breach of any express or implied covenants of this Lease for failure to comply therewith, if compliance is prevented by, or failure is the result of any applicable laws, rules, regulations or orders or operation of force majeure.

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SEVERABILITY. This Lease is intended to comply with all applicable laws, rules, regulations, ordinances and governmental orders. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall survive and continue in full force and effect to the maximum extent allowed by law. If a court of competent jurisdiction holds any provision of this Lease invalid, void, or unenforceable under applicable law, the court shall give the provision the greatest effect possible under the law and modify the provision so as to conform to applicable law if that can be done in a manner which does not frustrate the purpose of this Lease.

<u>COUNTERPARTS.</u> This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement.

See attached Exhibit 'A' which is unrecorded.

15686 OCAR

Melching, Jr.	10	

IN WITNESS WHEREOF, Lessor hereunto sets hand and seal.

Document prepared by: Che	sapeake Exploration, L.L.C.,	6100 N. Western Ave., Oklahoma City, OK 73118
		EDGEMENT
STATE OF	uo	_ )
COUNTY OF CAL	roll	) SS: _ )
On this, the // day of // Floyd M. Melching, Jr./s si	ngle person,	me a notary public, the understgned officer, personally appeared
	proven) to be the person(s) whose the same for the purposes there	e names(s) is/are subscribed to the within instrument, and in contained.
IN WITNESS WHEREOF, I	here unto set my hand and offici	al seal.
	My Commission Expires:	9/20/2015
	Signature/Notary Public:	Richard Deven
	Name/Notary Public (print):	
Parada Patra ta Channal	Embertion I I C 6100 N	Wantana Ava Oktohama City OK 73118

Birthard Owen

#### Exhibit J

We looked up the Professional Rules of Conduct in Ohio and discovered some which we think apply to this litigation before your Honor and Mr. Delay's actions or inactions in representing our interests through December 17, 2012 when we appeared in court without our permission and even though we terminated his services on December 15, 2012.

"Preamble: A Lawyer's Responsibilities"

"[1] In all professional functions a lawyer should be competent, prompt, diligent, and loyal. A lawyer should maintain communication with a client concerning the representation. A lawyer should keep in confidence information relating to representation of a client except so far as disclosure is required or permitted by the Ohio Rules of Professional Conduct or other law."

#### I. Client-Lawyer Relationship

#### "Rule 1.1: Competence"

"A lawyer shall provide competent representation to a client. Competent representation requires the legal knowledge, skill, thoughtfulness and preparation reasonably necessary for the representation."

"Comment"

"Thoroughness and Preparation"

[2] "Competent handling of a particular matter includes inquiry into and analysis of the factual and legal elements of the problem and use of methods and procedures meeting the standards of competent practitioners. It also includes adequate preparation......"

"Rule 1:3: Diligence"

"A lawyer shall act with reasonable diligence and promptness in representing a client."

#### "Comment"

"[3] A lawyer must control the lawyer's work load so that each matter can be handled competently".

"[4] Delay and neglect are inconsistent with a lawyer's duty of diligence, undermine public confidence and may prejudice a client's cause. Reasonable diligence and promptness are expected of a lawyer in handling all client matters and will be evaluated in light of all relevant circumstances. The lawyer disciplinary process is particularly concerned with lawyers who consistently fail to carry out obligations to clients or consciously disregard a duty owed to a client."

Among other things we believe Mr. Delay failed in the following respects to represent us:

- Failure to Provide Copies of Any Pleadings. Mr. Delay never provided us with copies of any pleadings filed by opposing counsel in the case.
- Failure to Advise Us of Important Deadlines in the Casc. Mr. Delay either did not advise us or did not represent us in complying with the Court's deadlines.
- Specific Failure to Take Depositions of Mr. Owen. Kenyon Energy or Chesapeake.
- Failure to Request Documents and Names of Knowledgeable Employees about Changes to our Lease or the Chain of Handling and Recording of our Leases.
   Mr. Delay never requested any documents from the defendants before the deadline,
- <u>Untimely Interrogatory Answers.</u> Mr. Delay mailed us blank copies of the defendant's Interrogatories and Production Requests without any explanation, discussion or directions as to what to do with them. In fact, he wanted Michele to complete them herself. And Mr. Delay didn't discuss them with her until after 60 days had passed, even when she asked about them.

- No Deposition Preparation. Mr. Delay didn't meet with us until after 9:30 p.m. the night before Michele Fritz's deposition and didn't tell us that we had to be in Akron at 9:00 a.m. the next morning until about 11:30 p.m. the night before. It is approximately a 90 minute drive to Akron from our home, especially when you don't even have the address of where you are going. He had e-mailed me on Tuesday, November 13 after we had gone to bed for the night so I did not find out until Wednesday morning, November 14, about the deposition the following day. At 9:30pm that night, we spent 2 hours hurriedly revising and completing our Answers to the Defendants' Interrogatories. He spent only about 30 minutes with us explaining about the next morning's deposition.
- Failure to Timely Inform Us of Significant Events. He did not advise us of the Defendant's scheduled depositions of the bank officer in Carroll County who notarized our July 27, 2010 Kenyon Energy Oil and Gas Leases until the morning of her deposition, Tuesday, December 11, 2012.
- Refusal to Abide By Our Schedule & Then Lied to Us. We advised him on Tuesday December 11, 2012, we wanted Mark's deposition taken in Carroll County. He suggested Michele find a place in the county which I did at the Friendship Center's Room. In a telephone call that very afternoon to advise him of those arrangements, Mr. Delay then lied to me by saying he never made the request that morning to obtain a place in Carroll County to take Mark's deposition. He also said Mark's deposition would have to take place in Akron, the next morning, December 12th, at 9:00 a.m. at the Vory's Law Office in Akron.
- Failure to Return Telephone Calls. Mr. Delay did not return our telephone calls to him on many instances, particularly in November and December, 2012.
- Failure to Meet with Us as Scheduled. On more than 2 occasions Mr. Delay scheduled a meeting with us to discuss important issues in this case, review important documents and plan a case strategy. Yet Mr. Delay just didn't show up or even give us notice that he would not be able to make it and reschedule.
- Failure to Prepare and Explain to Us Required Procedures and Discuss Strategy about Prosecuting this Case. He e-mailed us on Tuesday, November 13 after 8:30 p.m. notifying us of our depositions on Thursday November 15, but yet he did not tell us where the deposition would take place and what time it was scheduled for. I had already turned the computer off for the evening and did not receive the message until the following morning, Wednesday November 14. He did the same as far as not notifying us until the day before Mark's December 12, 2012 deposition. In addition, he first told us it would be taken in Carroll County, but did not tell us otherwise until later that afternoon. He did not spend more than an hour attempting to prepare us for a deposition when we had never had previously deposed.

- Failure to Submit Discovery. Mr. Delay's failure to represent us. I had supplied Mr. Delay with documents usable by him in seeking to have the case remanded back to State Court. He failed to use any of it in the case. For example, I, Michele Fritz, submitted him certified documents of the Defendant Mr. Owen's Notary Papers in 3 different states. That was evidence to show Mr. Owen's lack of honesty and truthfulness in explaining why our recorded oil and gas lease documents were so different from the original set we retained on July 30, 2010. Mr. Owen submitted a Declaration of Notice of Removal, "Exhibit E" stating the contrary. Mr. Delay also failed to submit any discovery of the Defendants—as required by the court's case management plan, including interrogatories, admissions, document production and depositions.
- <u>Failure to be Prepared.</u> Mr. Delay failed\_to conduct any discovery; failed to prepare for the first Case Management Hearing by reviewing any documents ahead of the hearing and failed to meet with us in person in advance of that hearing.
- <u>Misrepresentation to the Court.</u> Mr. Delay represented to the court that our being farmers lead to us being unavailable for depositions etc. when that is not true because we made ourselves available on very short notice to him.

Case: 5:12-cv-01736-JRA Dod# 21 Pilled 03/08/13 128 of 182. PageID #: 366

### RECEIPT

The undersigned hereby acknowledges receipt and acceptance of Ten and 00/100 dollars (\$10.00) as consideration paid for an Amendment and Ratification of Oil and Gas Lease dated December 21, 2012 between the undersigned as Lessor and Chesapeake Exploration, L.L.C. as Lessee, covering 102.8200 Leasehold acres in:

#### AUGUSTA TOWNSHIP, CARROLL COUNTY

Tax Map/Parcel Number(s): 0100063000.

#### WASHINGTON TOWNSHIP, CARROLL COUNTY

Tax Map/Parcel Number(s): 3400296010

Executed this day of	20		
	Fritz Dairy Farms, L.L.C.		
		By: Mark R. Fritz, Owner	

73391 0MAS

Lease Number: 34-000127-000

# AMENDMENT AND RATIFICATION OF OIL AND GAS LEASE

THIS AMENDMENT AND RATIFICATION OF OIL AND GAS LEASE (this "Amendment") is made as of the 21st day of December, 2012 by and between Fritz Dairy Farms, L.L.C., having an address at 6301 Mackel Rd., Minerva, OH 44657, (the "Lessor"), and Chesapeake Exploration, L.L.C., an Oklahoma limited liability company, with its principal office located at 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118; CHK Utica, L.L.C., a Delaware limited liability company, with its principal office located at 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118; TOTAL E&P USA, INC., a Delaware corporation, with its principal office located at 1201 Louisiana, Suite 1800, Houston, Texas 77002; (collectively, the "Lessee").

#### RECITALS

WHEREAS, Lessor and Lessee are parties, by execution or by succession, to that certain Oil and Gas Lease dated July 27, 2010 which Oil and Gas Lease, or a memorandum in lieu thereof, was filed for record in CARROLL County, OHIO on August 13, 2010 at Instrument No. 201000002894, Book 62, Page 163 (the "Lease"); and

WHEREAS, the Lease covers lands described as Tax Map/Parcel Numbers:

0100063000.

3400296009,

3400296010.

containing a total of approximately 102.8200 acres, more or less, situated in AUGUSTA and WASHINGTON Township, CARROLL County, OHIO and which lands are more particularly described in the Lease (the "Leased Premises"); and

WHEREAS, Lessor and Lessee, for their mutual benefit, desire to amend and modify the Lease set forth herein.

#### **AGREEMENT**

**NOW THEREFORE**, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual promises contained herein, Lessor and Lessee agree as follows:

A portion of a Paragraph of the Lease originally stated the following:

This Lease shall remain in force for a primary term of FIVE (5) years from 12:00 A.M. July 27, 2010 (effective date) to 11:59 P.M. July 27, 2015 (last day of primary term)...

Said portion of a Paragraph of the Lease is hereby replaced in its entirety with the following:

73391 0MAS

This Lease shall remain in force for a primary term of SEVEN and ONE HALF (7 1/2) years from 12:00 A.M. July 27, 2010 (effective date) to 11:59 P.M. January 27, 2018 (last day of primary term)...

A Paragraph of the Lease originally stated the following:

EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for one additional term of five (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

Said Paragraph is hereby deleted in its entirety.

A Paragraph of Exhibit "A" of the Lease originally stated the following:

WATER USAGE: Lessee agrees not to use any water from Lessor's wells, ponds, springs, lakes, reservoirs or creeks located on the lease premises without Lessor's written consent.

Said Paragraph of Exhibit "A" is hereby replaced in its entirety with the following:

WATER QUALITY TESTING: Prior to commencing drilling operations, Lessee, at its sole cost and expense, shall test the water quality of Lessor's water source(s) located within Twenty-five Hundred feet (2,500') of Lessee's well pad that are identified by Lessor as currently utilized for human and/or domestic livestock consumption. Lessor's water sources being tested must have functioning pumps installed.

Samples from Lessor's water source(s), covered by this agreement, will be analyzed for Lessee's standard baseline parameter list of general water quality indicators. Testing of Lessor's water supply shall be conducted by an independent testing laboratory, selected by Lessee, having state and/or National Environmental Laboratory Accreditation Program (NELAP) accreditations. Lessor shall be notified prior to any water sampling events, and Lessor or its agents or representatives shall have the right to be present during such events. The results of these tests will be provided to Lessor within 30 days of Lessee's receipt of the final results from the independent testing laboratory unless otherwise required by state or regulatory agency. Only non-invasive means of testing shall be used; Lessee shall not be required to pull pumps, move windmills, etc.

In the event the water quality of such water source(s) is reduced as a direct result of Lessee's operations on said Lands, such that the water is unusable for human and/or domestic livestock consumption (as the case may be), Lessee shall evaluate and perform such steps to restore Lessor's water quality of Lessor's water source(s). Lessee shall not be responsible for diminished water quality of Lessor's water source(s) due to causes out of the Lessee's control, including but not limited to seasonal variability and drought conditions.

73391 OMAS

The Lease is hereby further amended to include the following:

RECLAMATION: To the extent Lessee's drilling operations actually disturb the surface of the leased premises, it is agreed and understood that the Lessee shall repair and restore the surface of the leased premises as nearly as practicable to the condition in which it existed at the time Lessee commenced drilling operations upon the leased premises. Such work shall be completed within a reasonable amount of time after all cessation of drilling, completion, equipping and other related operations upon the leased premises at the sole expense of the Lessee. Lessee shall remove all debris, equipment, and personal property which Lessee placed on the leased premises (except for equipment needed for the operation of producing wells, which shall be removed within six (6) months after a well permanently ceases to produce).

Lessor ratifies and confirms the Lease, and all of its terms and provisions, as amended above, and does hereby grant, lease and let the Leased Premises unto Lessee subject to and under the terms and provisions of Lease and this Amendment, and hereby agrees and acknowledges that said Lease is valid and shall remain in full force and effect according to the terms and provisions thereof.

Lessor and Lessee agree that this Amendment shall be binding upon them, their heirs, personal representatives, successors and assigns.

This Amendment may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Amendment and all of which, when taken together, will be deemed to constitute one and the same agreement.

If any of the above stated provisions in this Amendment conflict with or are inconsistent with the printed provisions or terms of the Lease, the above stated provisions in this Amendment shall control.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Amendment to be duly executed on the date first above written.

## 

73391 0MAS

LESSEE:
Chesapeake Exploration, L.L.C. an Oklahoma limited liability company
By: Lester A. Zitkus, Vice President- Land Eastern Division
CORPORATE ACKNOWLEDGMENT
STATE OF OKLAHOMA } SS: COUNTY OF OKLAHOMA }
On this, the day of, 20, before me the undersigned officer, personally appeared <u>Lester A. Zitkus</u> , who acknowledged himself to be the <u>Vice President – Land, Eastern Division</u> of <b>Chesapeake Exploration</b> , <b>L.L.C.</b> , an Oklahoma limited liability company, and that he as such <u>Vice President – Land</u> , <u>Eastern Division</u> , being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the limited liability company by himself as <u>Vice President – Land</u> <u>Eastern Division</u> .
IN WITNESS WHEREOF, I hereunto set my hand and official seal.
My Commission Expires:
Signature/Notary Public:
Name/Notary Public (print):

73391 OMAS

LESSEE:	
CHK Utica, L.I A Delaware limi	ted liability company
By: Lester A. Zit Eastern Divi	kus, Vice President- Land sion
	CORPORATE ACKNOWLEDGMENT
STATE OF OKLAS COUNTY OF OKL	) SS:
undersigned officer Land, Eastern Division President – Land, F	day of, 20, before methe personally appeared Lester A. Zitkus, who acknowledged himself to be the Vice President — sion of CHK Utica, L.L.C., an Oklahoma limited liability company, and that he as such Vice Eastern Division, being authorized to do so, executed the foregoing instrument for the purpose a signing the name of the limited liability company by himself as Vice President — Land, Eastern
IN WITNESS WHI	EREOF, I hereunto set my hand and official seal.
N	ly Commission Expires:
S	ignature/Notary Public:
N	ame/Notary Public (print):

73391 OMAS

LESSEE:	
TOTAL E&P USA, INC., a Delaware corporation	
By: Fabien Colmet Daage Vice President, Business	Development & Strategy
	CORPORATE ACKNOWLEDGMENT
STATE OF TEXAS	}
COUNTY OF HARRIS	} SS: }
The foregoing instrument was act Colmet Daage, Vice President, E corporation, as the act and deed an	knowledged before me this day of, 20, by Fabien Business Development & Strategy of TOTAL E&P USA, INC., a Delaware d on behalf of such corporation.
	Notary Public in and for the State of Texas

### Prepared By:

Once recorded, please return to: Chesapeake Exploration, L.L.C., Attention: Land – Eastern Division, 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118

### RECEIPT

The undersigned hereby acknowledges receipt and acceptance of Ten and 00/100 dollars (\$10.00) as consideration paid for an Amendment and Ratification of Oil and Gas Lease dated December 26, 2012 between the undersigned as Lessor and Chesapeake Exploration, L.L.C. as Lessee, covering 27.3500 Leasehold acres in:

010042700	)1,		
Executed this	day of		
		Mark R. Fritz	
		Michelle E. Fritz	

AUGUSTA TOWNSHIP, CARROLL COUNTY

Tax Map/Parcel Number(s):

Lease Number: 34-000126-000

# AMENDMENT AND RATIFICATION OF OIL AND GAS LEASE

THIS AMENDMENT AND RATIFICATION OF OIL AND GAS LEASE (this "Amendment") is made as of the 26th day of December, 2012 by and between Mark R. Fritz and Michelle E. Fritz, husband and wife, having an address at 6301 Mackel Rd. NE, Minerva, OH 44657, (the "Lessor"), and Chesapeake Exploration, L.L.C., an Oklahoma limited liability company, with its principal office located at 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118; CHK Utica, L.L.C., a Delaware limited liability company, with its principal office located at 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118; TOTAL E&P USA, INC., a Delaware corporation, with its principal office located at 1201 Louisiana, Suite 1800, Houston, Texas 77002; (collectively, the "Lessee").

#### RECITALS

WHEREAS, Lessor and Lessee are parties, by execution or by succession, to that certain Oil and Gas Lease dated July 27, 2010 which Oil and Gas Lease, or a memorandum in lieu thereof, was filed for record in CARROLL County, OHIO on August 13, 2010 at Instrument No. 201000002896, Book 62, Page 176 (the "Lease"); and

WHEREAS, the Lease covers lands described as:

containing a total of approximately 39.4635 acres, more or less, situated in AUGUSTA Township, CARROLL County, OHIO and which lands are more particularly described in the Lease, being all the land covered by the Lease in said Township; and

WHEREAS, the Lessor owns a portion of the lands covered by the Lease, currently known as:

Property Tax Parcel Identification: 0100427001,

containing a total of approximately 27.3500 acres, more or less, situated in AUGUSTA Township, CARROLL County, OHIO (the "Leased Premises"); and

WHEREAS, Lessor and Lessee, for their mutual benefit, desire to amend and modify the Lease set forth herein.

#### **AGREEMENT**

**NOW THEREFORE**, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the mutual promises contained herein, Lessor and Lessee agree as follows:

A portion of a Paragraph of the Lease originally stated the following:

This Lease shall remain in force for a primary term of FIVE (5) years from 12:00 A.M. July 27, 2010 (effective date) to 11:59 P.M. July 27, 2015 (last day of primary term)...

Said portion of a Paragraph of the Lease is hereby replaced in its entirety with the following:

This Lease shall remain in force for a primary term of SEVEN and ONE HALF (7 1/2) years from 12:00 A.M. July 27, 2010 (effective date) to 11:59 P.M. January 27, 2018 (last day of primary term)...

A Paragraph of the Lease originally stated the following:

EXTENSION OF PRIMARY TERM. Lessee has the option to extend the primary term of this Lease for one additional term of five (5) years from the expiration of the primary term of this Lease; said extension to be under the same terms and conditions as contained in this Lease. Lessee may exercise this option to extend this Lease if on or before the expiration date of the primary term of this Lease, Lessee pays or tenders to the Lessor or to the Lessor's credit an amount equal to the initial consideration given for the execution hereof. Exercise of this option is at Lessee's sole discretion and may be invoked by Lessee where no other alternative of the Lease Term clause extends this Lease beyond the primary term.

Said Paragraph is hereby deleted in its entirety.

A Paragraph of Exhibit " A " of the Lease originally stated the following:

WATER USAGE: Lessee agrees not to use any water from Lessor's wells, ponds, springs, lakes, reservoirs or creeks located on the lease premises without Lessor's written consent.

Said Paragraph of Exhibit " A " is hereby replaced in its entirety with the following:

WATER QUALITY TESTING: Prior to commencing drilling operations, Lessee, at its sole cost and expense, shall test the water quality of Lessor's water source(s) located within Twenty-five Hundred feet (2,500') of Lessee's well pad that are identified by Lessor as currently utilized for human and/or domestic livestock consumption. Lessor's water sources being tested must have functioning pumps installed.

Samples from Lessor's water source(s), covered by this agreement, will be analyzed for Lessee's standard baseline parameter list of general water quality indicators. Testing of Lessor's water supply shall be conducted by an independent testing laboratory, selected by Lessee, having state and/or National Environmental Laboratory Accreditation Program (NELAP) accreditations. Lessor shall be notified prior to any water sampling events, and Lessor or its agents or representatives shall have the right to be present during such events. The results of these tests will be provided to Lessor within 30 days of Lessee's receipt of the final results from the independent testing laboratory unless otherwise required by state or regulatory agency. Only non-invasive means of testing shall be used; Lessee shall not be required to pull pumps, move windmills, etc.

In the event the water quality of such water source(s) is reduced as a direct result of Lessee's operations on said Lands, such that the water is unusable for human and/or domestic livestock

consumption (as the case may be), Lessee shall evaluate and perform such steps to restore Lessor's water quality of Lessor's water source(s). Lessee shall not be responsible for diminished water quality of Lessor's water source(s) due to causes out of the Lessee's control, including but not limited to seasonal variability and drought conditions.

The Lease is hereby further amended to include the following:

RECLAMATION: To the extent Lessee's drilling operations actually disturb the surface of the leased premises, it is agreed and understood that the Lessee shall repair and restore the surface of the leased premises as nearly as practicable to the condition in which it existed at the time Lessee commenced drilling operations upon the leased premises. Such work shall be completed within a reasonable amount of time after all cessation of drilling, completion, equipping and other related operations upon the leased premises at the sole expense of the Lessee. Lessee shall remove all debris, equipment, and personal property which Lessee placed on the leased premises (except for equipment needed for the operation of producing wells, which shall be removed within six (6) months after a well permanently ceases to produce).

Lessor ratifies and confirms the Lease, and all of its terms and provisions, as amended above, and does hereby grant, lease and let the Leased Premises unto Lessee subject to and under the terms and provisions of Lease and this Amendment, and hereby agrees and acknowledges that said Lease is valid and shall remain in full force and effect according to the terms and provisions thereof.

Lessor and Lessee agree that this Amendment shall be binding upon them, their heirs, personal representatives, successors and assigns.

This Amendment may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Amendment and all of which, when taken together, will be deemed to constitute one and the same agreement.

If any of the above stated provisions in this Amendment conflict with or are inconsistent with the printed provisions or terms of the Lease, the above stated provisions in this Amendment shall control.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Amendment to be duly executed on the date first above written.
LESSOR:
Mark R. Fritz
ACA HIP PA
Michelle E. Fritz
ACKNOWLEDGEMENT
STATE OF
COUNTY OF
On this, the day of, before me, to undersigned officer, personally appeared Mark R. Fritz and Michelle E. Fritz, husband and wife, known to me (satisfactorily proven) to be the person(s) whose names(s) is/are subscribed to the within instrument, and acknowledged the they executed the same for the purposes therein contained.
IN WITNESS WHEREOF, I here unto set my hand and official seal.
My Commission expires:
Signature/Notary Public:
Name/Notary Public (print)

LESSEE:
Chesapeake Exploration, L.L.C. an Oklahoma limited liability company
By: Lester A. Zitkus, Vice President- Land, Eastern Division
CORPORATE ACKNOWLEDGMENT
STATE OF OKLAHOMA } SS: COUNTY OF OKLAHOMA }
On this, the day of, 20, before me the undersigned officer, personally appeared Lester A. Zitkus, who acknowledged himself to be the <u>Vice President – Land, Eastern Division</u> of Chesapeake Exploration, L.L.C., an Oklahoma limited liability company, and that he as such <u>Vice President – Land, Eastern Division</u> , being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the limited liability company by himself as <u>Vice President – Land, Eastern Division</u> .
IN WITNESS WHEREOF, I hereunto set my hand and official seal.
My Commission Expires:
Signature/Notary Public:
Name/Notary Public (print):

SSEE:
HK Utica, L.L.C. Delaware limited liability company
Lester A. Zitkus, Vice President- Land, Eastern Division
CORPORATE ACKNOWLEDGMENT
ATE OF OKLAHOMA } SS: UNTY OF OKLAHOMA }
this, the
WITNESS WHEREOF, I hereunto set my hand and official seal.
My Commission Expires:
Signature/Notary Public:
Name/Notary Public (print):

LESSEE:	
TOTAL E&P USA, INC. a Delaware corporation	
By: Fabien Colmet Daage Vice President, Business 1	Develonment & Strategy
vice President, Business	Development be strategy
CORPORATE ACKNOWLEDGMENT	
STATE OF TEXAS COUNTY OF HARRIS	} SS: }
The foregoing instrument was acknowledged before me this day of, 20, by Fabien Colmet Daage, Vice President, Business Development & Strategy of TOTAL E&P USA, INC., a Delaware corporation, as the act and deed and on behalf of such corporation.	
	Notary Public in and for the State of Texas

### Prepared By:

Once recorded, please return to: Chesapeake Exploration, L.L.C., Attention: Land – Eastern Division, 6100 N. Western Avenue, Oklahoma City, Oklahoma 73118

#### CONFIDENTIAL SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the "Agreement") is entered into by and between Fritz Dairy Farms, LLC, Mark R. Fritz and Michele E. Fritz (collectively "Fritz Parties") and Chesapeake Exploration, L.L.C., Richard Owen, and Kenyon Energy, LLC (collectively "Chesapeake Parties"), all of whom are collectively referred to as the "Parties" and each of whom is individually referred to as a "Party," as of this \_\_\_\_\_\_ day of January, 2013.

**WHEREAS**, the Fritz Parties entered into Paid Up Oil & Gas Leases with Kenyon Energy, LLC made and effective on July 27, 2010 (the "Leases"); and

WHEREAS, disputes and claims arose between the Parties relating to the Leases, including claims that are the subject of the Fritz Parties complaint filed in the Court of Common Pleas of Carroll County Ohio under Case No. 12 CVH 27 184, which was ultimately removed to the United States District Court for the Northern District of Ohio, Eastern Division, under Case 5:12-cv-01736 (the "Lawsuit"); and,

WHEREAS, the Fritz Parties asserted in the Lawsuit that, among other things, the Leases as recorded were altered after they signed them (the "Recorded Leases"); and,

WHEREAS, the Parties, without admitting to any liability to each other, have agreed to settle and compromise all claims with each other relating or arising out of the Leases and the Recorded Leases;

- **NOW, THEREFORE**, in consideration of the promises and covenants contained herein, and other good and valuable consideration, the sufficiency of which is acknowledged, and intended to be legally binding, it is agreed by and among the Parties as follows:
- 1. The Chesapeake Parties agree to pay the sum of Ten Thousand And 00/100 Dollars (\$10,000.00) to the Fritz Parties upon the latter's execution and recording of amendments to the Recorded Leases containing essentially the terms specified in Section 2 below.
  - 2. The Recorded Leases, and each of them, shall be amended to provide essentially that:
  - A. The section titled <u>LEASE TERM</u> shall be amended to read "This Lease shall remain in force for a primary term of Seven (7) years from 12:00 A.M. July 27, 2010 (effective date) to 11:29 P.M. July 26, 2017 (last day of primary term) ..."
    - B. The section titled <u>EXTENSION OF PRIMARY TERM</u> shall be deleted.
    - C. The section titled <u>DISPOSAL AND INJECTION WELLS</u> shall be amended:
    - (1) Beginning on the third line to read "the Leasehold or lands pooled or unitized therewith for the disposal and/or injection into any subsurface strata, below those providing water from Lessor's wells, of air, gas, brine ..."

- (2) By adding thereto the following language: "Lessee shall do nothing to interfere with and shall immediately, fully and properly repair any damage to waterlines leading from Lessor's water wells and fully and completely rectify any contamination and the results of any contamination resulting from such damage."
- (3) By adding thereto the following language: "Lessee shall, and shall require its subcontractors to, store, treat and transport all products and by-products used in or extracted by or as a result of any of its activities in a safe manner such that Lessor's lands, water, crops, and livestock shall not be damaged in any manner. In the event Lessee's actions or those of its subcontractors result in any damage to Lessor's lands, water, crops, or livestock, Lessee shall immediately, fully and properly repair any such damage and restore Lessor's lands, water, crops or livestock as nearly as possible to their original condition."
- (4) By adding thereto the following language: "Lessee shall not use for any purpose any well water, pools, or the water table on and under Lessor's lands."
- D. A new section shall be added which shall read "As soon as is reasonably possible, following completion of Lessee's operations or the expiration or other termination of this Lease, whichever shall soonest occur, Lessee shall restore the Leasehold, as nearly as possible, to its original condition and land contour."
- 3. The Parties shall pay their own costs, expenses, and legal fees in connection with the Lawsuit and its settlement and dismissal.
- 4. In consideration of the promises and covenants set forth in this Agreement and for other good and valuable consideration, the sufficiency of which is hereby acknowledged the Parties, for and on behalf of themselves, their partners, shareholders, attorneys, spouses, family members, officers, employees, agents, members, owners, representatives, affiliates, subsidiaries, and their respective successors and assigns, release, acquit and forever discharge each other of and from any and all claims, actions, expenses and compensation whatsoever which the Parties now have or which may hereafter accrue on account of or in any way growing out of any and all known and unknown, foreseen and unforeseen injuries and/or damages resulting from the Recorded Leases, including all issues raised in the Lawsuit or which could have been raised in the Lawsuit, and with respect to the foregoing, except for the terms of the Recorded Leases amended as above provided and except to enforce the terms of this Agreement.
- 5. All matters relating to the terms and negotiation of this Agreement shall be and remain strictly confidential between the Parties hereto, except the terms contained in Section 2 above and except that this Agreement, by its terms, may be disclosed as follows: (a) to the Parties' auditors, accountants, attorneys, lenders, insurers and financial advisors; (b) to enforce the terms of this Agreement; (c) if disclosure is required by contract, court order, or operation of law; or (d) by mutual written agreement of all the Parties. To the extent any other person or entity seeks to compel disclosure of this Agreement by any Party, such Party from whom disclosure is sought shall notify the other Parties of such efforts and shall reasonably cooperate in the other Parties' efforts, at the other Parties' sole cost

and expense, to prevent disclosure or to maintain this Agreement and its terms under seal or protective order.

- 6. Each of the Parties to this Agreement hereby warrants and represents that this Agreement constitutes the entire agreement of the Parties, that no promises or inducements have been offered except as set forth in this Agreement, and that this Agreement is executed without reliance upon any statement or representation by any of the other Parties to this Agreement or any of their respective representatives or attorneys concerning the nature and extent of any claims, damages or legal liability.
- 7. Each of the Parties to this Agreement warrants and represents that the individual executing this Agreement on its behalf (A) fully understands this Agreement; (B) is authorized to execute this Agreement on behalf of its respective principal; (C) has carefully read and reviewed this Agreement; and (D) is voluntarily entering into this Agreement.
- 8. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective agents, employees, servants, successors, heirs, executors, administrators, members, partners, officers, directors, firms, corporations, associations or partnerships associated therewith, and any corporation, partnership, company, or other entity into which any Party may merge, consolidate, or reorganize.
- 9. This Agreement has been, and shall for all purposes be deemed to have been, executed and delivered within the state of Ohio, and it shall be construed and enforced in accordance with and be governed by the laws of the state of Ohio.
- 10. The Parties acknowledge and represent that this Agreement evidences the settlement of disputed claims, and that the consideration for such shall not be construed as an admission of liability by either party, as the same is and always has been expressly denied.
- 11. This Agreement is the entire agreement between the Parties with respect to the subject matter. It supersedes all prior and contemporaneous oral and written agreements and discussions. It may be amended, supplemented or modified only by an agreement in writing and signed by all Parties.
- 12. If any term of this Agreement is for any reason invalid or unforeseeable, the rest of the Agreement remains fully valid and enforceable. No waiver of any term of this Agreement constitutes a waiver of any other provision, whether similar or dissimilar. No waiver of any term constitutes a continuing waiver of that term. No waiver is binding unless signed in writing by the waiving party.
- 13. Each Party has cooperated in, and in any construction of this Agreement shall be deemed to have cooperated in, the drafting and preparation of this Agreement.
- 14. This Agreement may be executed in counterparts, each of which is considered an original, but all of which constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have voluntarily executed this Confidential Settlement Agreement and Release.

		Fritz Dairy Farms, LLC
Date: _		By: Name: Title:
Date: _	, 2013	Mark R. Fritz
Date: _	, 2013	Michele E. Fritz
Date: _	, 2013	Chesapeake Exploration, L.L.C.  By: Name: Title:
Date: _	, 2013	Richard Owen
Date: _	. 2008	Kenyon Energy, LLC  By:  Name:  Title:

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

# ASSIGNMENT, BILL OF SALE AND CONVEYANCE

STATE OF OHIO §

COUNTY OF CARROLL

THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE (this "Assignment"), dated effective as of November 1, 2011 at 7:00 a.m. Central Time (the "Effective Time"), is made by CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, CHESAPEAKE APPALACHIA, L.L.C., an Oklahoma limited liability company, and OHIO BUCKEYE ENERGY, L.L.C., an Ohio limited liability company (collectively, "Assignor") to CHK UTICA, L.L.C., a Delaware limited liability company ("Assignee"). This Assignment is executed and delivered in connection with and pursuant to the terms of that certain Contribution Agreement between Assignor and Assignee dated November 1, 2011 (the "Contribution Agreement"). Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Contribution Agreement.

- Assignment. For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER, AND DELIVER unto Assignee, an undivided fifty percent (50%) (the "Conveyed Interests") of all of Assignor's right, title, and interest in and to the following, subject to the terms and reservations hereof and specifically, LESS AND EXCEPT the Excluded Assets (as hereinafter defined) (the "Properties"):
- 1.1 (i) all oil and gas leases, leasehold interests, operating rights, working interests, net revenue interests and similar operating interests, or other rights to Hydrocarbons (whether producing or non-producing), described in Exhibit "A" attached hereto, in each case, as to all depths (collectively, all of the foregoing, the "Leases"); (ii) the lands covered by the Leases and all lands pooled or unitized therewith (collectively, the "Lands"); and (iii) all expressed or implied rights-of-way, easements and other surface rights, insofar and only insofar as the same arise in or under the Leases (collectively, the "Easements"; and the interests described in subparts 1.1(i)-1.1(iii) are collectively referred to as the "Real Property Interests");
- Formation or currently being drilled to the Utica Shale Formation (the "Wells"), (ii) all Lease Owned well heads, casing, tubing, pumps, motors, gauges, valves, heaters and treaters constituting part of or connected to the Wells, (iii) all Lease Owned automation equipment constituting part of or connected to the Wells, (iv) all Lease Owned gathering lines and improvements, water lines, vessels, tanks, boilers, separators, treating equipment, fixtures, compressors and other equipment used in connection with the Wells, (v) all Lease Owned power lines, telephone and communication lines used in connection with the Wells, (vi) all Lease Owned injection wells and water disposal facilities used in connection with the Wells, (vii) all other Lease Owned appurtenances owned and used in connection with the production, treating, storing, transportation or marketing of Hydrocarbons from the Wells, and (viii) any and all other equipment, machinery, fixtures and other tangible personal property and improvements located on or used in connection with the operation of the Wells (collectively referred to as the "Equipment");
- 1.3 all presently existing unitization, pooling and/or communitization agreements, declarations or designations and contractually, statutorily, judicially or administratively created drilling, spacing and/or production units, insofar as the same are attributable or allocated to the Real Property Interests or the Wells, and all of the Assignor's interest in and to the properties covered or units created thereby which are attributable to the Real Property Interests or the Wells;

- 1.4 all presently existing and valid Hydrocarbon sales agreements, operating agreements (excluding any operating rights or duties), gathering agreements, transportation agreements, farmout and farmin agreements, participation agreements, unitization, pooling and communitization agreements, purchase agreements, exploration agreements, area of mutual interest agreements, exchange and processing contracts and agreements and any other contracts, agreements and instruments insofar as the above agreements cover, are attributable to or relate to the Real Property Interests or the Welfs, Equipment or any interests pooled, communitized or unitized therewith, including those contracts and agreements described in the Contribution Agreement;
- 1.5 all Hydrocarbons in, on, under or produced from or attributable to the Wells and the proceeds thereof; and
- 1.6 copies of the Records to the extent relating to the Properties described in the foregoing subsections (1.1) through (1.5).

It is the intent of Assignor to convey and this Assignment hereby conveys to Assignee, subject to the reservations and conditions herein contained, from and after the Effective Time, the Conveyed Interests, regardless of the omission of any lease or leases, errors in description, any incorrect or misspelled names, or any transcribed or incorrect recording references.

TO HAVE AND TO HOLD all and singular such Conveyed Interests together with all rights, titles, interests, estates, remedies, powers, and privileges thereunto appertaining unto Assignee and Assignee's successors and assigns forever; subject to the following matters:

- a. (A) with respect to any Leases and other leasehold interests: royalties and overriding royalties, and (B) with respect to Wells: royalties, overriding royalties and other burdens or encumbrances to the extent they do not, individually or in the aggregate, increase Assignor's Working Interest (without at least a proportionate corresponding increase in Assignor's Net Revenue Interest) in any Well from that described in the Contribution Agreement;
- Liens for Taxes for which payment is not due or which are being contested in good faith by appropriate proceedings;
- c. Liens (other than Liens in favor of Assignor or its Affiliates) of mechanics, materialmen, warehousemen, landlords, vendors, and carriers and any similar Liens (other than Liens in favor of Assignor or its Affiliates) arising by operation of Law which, in each instance, arise in the ordinary course, for sums not yet due or which are being contested in good faith by appropriate proceedings;
- d. Liens (other than Liens in favor of Assignor or its Affiliates) under operating agreements, unit agreements, unitization and pooling designations and declarations, gathering and transportation agreements, processing agreements, Hydrocarbon purchase contracts and all of the other Contracts;
- e. easements, surface leases, and other rights and plat restrictions, zoning laws, restrictive covenants and conditions, and building and other land use laws and similar encumbrances, insofar as the same do not materially interfere with the operation, development or use of the affected Property;
- f. all rights to consent by, required notices to, filings with or other actions by Governmental Authorities in connection with the sale, disposition, transfer or conveyance of federal, state, tribal or other governmental oil and gas leases or interests therein or related thereto, which are customarily obtained subsequent to the assignment, disposition or transfer of such oil and gas leases or interests therein, or such operations;
- g. conventional rights of reassignment obligating the lessee to reassign or offer to reassign its interests in any lease prior to a release or abandonment of such lease;
- h. required non-governmental Third Party consents to assignments which have been obtained or waived by the appropriate parties or which need not be obtained prior to an assignment or which cannot be unreasonably withheld, and preferential rights to purchase which

have been waived by the appropriate parties or for which the time period for asserting such rights has expired without the exercise of such rights;

- i. all defects or irregularities (A) arising out of tack of affirmative statement of corporate authorization or a variation in corporate name, (B) that have been cured or remedied by applicable statutes of limitation or statutes for prescription, (C) consisting of the failure to recite marital status in documents or omissions of heirship proceedings, (D) that have been cured by possession under applicable statutes of limitation, or (E) resulting from lack of survey or failure to record releases of liens, production payments or mortgages that have expired by their own terms or the enforcement of which are barred by applicable statutes of limitation;
- rights vested in or reserved to any Governmental Authority to regulate the Properties, to terminate any right, power, franchise, license or permit afforded by such Governmental Authority, or to condemn, expropriate or designate a buyer of any of the Properties;
- k. any provision in a Lease, surface lease, easement, or other surface use agreement entered into prior to the Effective Time providing a Third Party with rights to an overriding royalty interest or other burdens or payments triggered by the use of the relevant surface property for drilling or other purposes (each a "Surface Use Burden"), provided that, with respect to the Wells only, such Surface Use Burdens do not reduce Assignor's Net Revenue Interest in such Well from that described in the Contribution Agreement;
- the Royalty Agreement and any and all obligations thereunder and rights created thereby or pursuant thereto; and
  - m. the Contribution Agreement
- Excluded Assets. Assignor specifically excepts from this Assignment and reserves unto itself the following (the "Excluded Assets"):
- Assignor's minute books, financial and income tax records and legal records (other than title records);
- 2.2 any existing or future refund of costs, Taxes or expenses borne by Assignor, any Affiliates of Assignor, or its predecessors in title attributable to the period prior to the Effective Time;
- 2.3 any and all proceeds from the settlements of contract disputes insofar as said proceeds are attributable to periods of time prior to the Effective Time;
- 2.4 all rights and interests of Assignor or any Affiliates of Assignor under (i) any policy, bond or agreement of insurance or indemnity (including any rights, claims or causes of action of Assignor against Third Parties under any indemnities or hold harmless agreements and any indemnities received in connection with Assignor's or any of its Affiliates' prior acquisition of any of the Properties), to the extent and only to the extent such rights and interests relate to the ownership of the Properties prior to the Effective Time and (ii) under any bond;
- 2.5 all of Assignor's and its Affiliates' proprietary computer software, patents, trade secrets, copyrights, names, trademarks, logos, and other intellectual property;
- 2.6 all accounts receivable and audit rights arising under any of the applicable contracts or otherwise with respect to any of the other items included in this definition of Excluded Assets, to the extent and only to the extent such rights and interests related to the ownership of the Properties prior to the Effective Time;
- Geological and Geophysical Information and any other information which Assignor is prohibited from sharing by agreement with a Third Party;
- 2.8 (A) all mineral fee interests owned by Assignor or any of its Affiliates, (B) all royalty interests and overriding royalty interests owned by Assignor or any of its Affiliates and (C) any wellbores located on the Properties, other than the Wells and Lease-Owned water or disposal wells;

- 2.9 all claims of Assignor or any of its Affiliates for refunds of or loss carry forwards with respect to (A) any other Taxes attributable to any period prior to the Effective Time, (B) income or franchise Taxes or (C) any Taxes attributable to any of the other items included in this definition of the Excluded Assets;
- 2.10 all "virtual courthouses" of Assignor or any of its Affiliates, all of their respective exclusive use arrangements with title abstract facilities, and all documents and instruments of Assignor or any of its Affiliates that may be protected by an attorney-client privilege, and all data that cannot be disclosed to Assignee or its members as a result of confidentiality arrangements under agreements with Third Parties (other than title opinions and other title records relating to the Properties);
- 2.11 all surface fee interests (but excluding the Easements), surface leasehold and other surface property interests (but excluding the Easements) and all buildings, offices, improvements, appurtenances, field offices and yards;
- 2.12 non-Lease Owned equipment such as compressors on the wellheads of the Wells operated by Assignor or its Affiliates owned by or leased from Assignor, its Affiliates or Third Parties;
- 2.13 automation systems including meters and related telemetry, licensed radio frequencies and associated communications infrastructure including towers, antennas, data links and network circuits, except any Lease Owned equipment;
- 2.14 all drilling rigs and related equipment, work over rigs and related equipment, tools and other equipment brought onto a well site temporarily for purposes of drilling, reworking or maintaining a well, all vehicles, and any other non-Lease Owned equipment, inventory, machinery, tools and other personal property not currently in use for the operation of a well or wells;
- 2.15 all assets of Chesapeake Midstream Group and all of the assets of Chesapeake Oilfield Group;
- 2.16 all non-Leased Owned salt water disposal wells, systems and related equipment; and
- 2.17 all of the Contributors' retained right, title and interest in and to the Properties after their contributions to the Company of the Conveyed Interests in accordance with the terms hereof and the Contribution Agreement.
- 3. Contribution Agreement and Development Agreement. (i) The Conveyed Interests are subject to the terms of that certain Development Agreement between Chesapeake Exploration, L.L.C. and Assignee dated as of even date with the Contribution Agreement, and (ii) this Assignment is made expressly subject to the terms and provisions of the Contribution Agreement, including, without limitation, (A) certain limited remedies provided therein related to the general warranty provided below, (B) the assumption by Assignee of the Assumed Obligations (as defined therein), and (C) the retention by Assignor of the Retained Liabilities (as defined therein).
- 4. General Warranty of Title. Assignor does hereby bind itself and its successors and assigns to warrant and forever defend all and singular title conveyed as of the date hereof to the Conveyed Interests unto Assignee and Assignee's successors and assigns, against every Person whomsoever lawfully claiming or to claim the same or any part thereof. Further, Assignee is specifically assigned, and subrogated to, warranties of title which Assignor may have from Assignor's predecessors in interest (other than Affiliates of Assignor) to the extent applicable with respect to the Conveyed Interests and to the extent Assignor may legally assign such rights and grant such subrogation.
- Limitations on Representations and Warranties.
- 5.1 EXCEPT FOR THE EXPRESS AND SPECIFIC REPRESENTATIONS AND WARRANTIES OF ASSIGNOR IN THE CONTRIBUTION AGREEMENT, IN ANY OTHER TRANSACTION DOCUMENTS, AND EXCEPT FOR THE GENERAL WARRANTY OF TITLE CONTAINED IN THIS ASSIGNMENT, ASSIGNEE

ACKNOWLEDGES THAT ASSIGNOR HAS NOT MADE, AND ASSIGNOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY EXPRESSLY WAIVES, ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE, INCLUDING THOSE RELATING TO (a) PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, DECLINE RATES, GAS BALANCING INFORMATION, OR THE QUALITY, QUANTITY OR VOLUME OF THE RESERVES OF HYDROCARBONS, IF ANY, ATTRIBUTABLE TO THE PROPERTIES OR ASSIGNOR'S INTEREST THEREIN, (b) THE ACCURACY, COMPLETENESS OR MATERIALITY OF ANY RECORDS, INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR ORAL) NOW, HERETOFORE OR HEREAFTER FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR, AND (c) THE ENVIRONMENTAL OR OTHER CONDITION OF THE PROPERTIES.

- EXCEPT FOR THE EXPRESS AND SPECIFIC REPRESENTATIONS AND WARRANTIES OF ASSIGNOR IN THE CONTRIBUTION AGREEMENT, ANY OTHER TRANSACTION DOCUMENTS, AND EXCEPT FOR THE GENERAL WARRANTY OF TITLE CONTAINED IN THIS ASSIGNMENT, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY WAIVES, AS TO PROPERTY, EQUIPMENT, INVENTORY, MACHINERY FIXTURES CONSTITUTING A PART OF THE PROPERTIES (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (d) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS, WHETHER KNOWN OR UNKNOWN, (e) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW, AND (O ANY IMPLIED OR EXPRESS WARRANTY REGARDING ENVIRONMENTAL LAWS, THE RELEASE OF SUBSTANCES, WASTES OR MATERIALS INTO THE ENVIRONMENT, OR PROTECTION OF THE ENVIRONMENT OR HEALTH, IT BEING THE EXPRESS INTENTION OF ASSIGNEE AND ASSIGNOR THAT, EXCEPT AS SET FORTH IN THE CONTRIBUTION AGREEMENT, ANY OTHER TRANSACTION DOCUMENTS, AND EXCEPT FOR THE GENERAL WARRANTY OF TITLE CONTAINED IN THIS ASSIGNMENT, THE PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES IN WHICH ASSIGNOR HAS ANY INTEREST ARE BEING ACCEPTED BY ASSIGNEE, "AS IS, WHERE IS, WITH ALL FAULTS" AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR.
- 5.3 ASSIGNOR AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN WARRANTIES CONTAINED IN THIS SECTION 5 ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.

## Miscellaneous

- 6.1. <u>Cooperation</u>. In addition to this Assignment, Assignor shall execute, acknowledge, and deliver to Assignee, in a timely manner and without further consideration, any documents or instruments that Assignee may reasonably require, including, without limitation, further assignments or conveyances required by any state or federal authority, deeds, and consents to further evidence the assignment and conveyance of the Conveyed Interests by Assignor to Assignee.
- 6.2. Choice of Law. This Assignment will be interpreted, construed, and enforced in accordance with the laws of the State of Ohio, without giving effect to any rules or principles of conflicts of law that might otherwise refer to the laws of another jurisdiction.
- 6.3. <u>Successors and Assigns</u>. This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

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6.4. <u>Counterparts</u>. This Assignment may be executed in multiple counterparts, each of which will be an original instrument, but all of which will constitute one assignment.

> [REMAINDER OF PAGE INTENTIONALLY LEFT BLANK SIGNATURE PAGES FOLLOW]

Instrument Book Pase 201100007432 OR 76 3833

IN WITNESS WHEREOF, Assignor has executed this instrument on the date of the acknowledgment annexed hereto, but effective for all purposes as of the Effective Time.

## ASSIGNOR:

CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company CHESAPEAKE APPALACHIA, L.I..C., an Oklahoma limited liability company

By: Dougles I Jacobson

Douglas J. Jacobson Executive Vice President Зу:

Douglas # Jacobson

Executive Vice President

CHESAPEAKE AEC ACQUISITION, L.L.C., an Oklahoma limited liability company

OHIO BUCKEYE ENERGY, L.L.C., an Ohio limited liability company

By:

Douglas J. Jacobson Executive Vice President By Douglas I Jaco

Executive Vice President

### ASSIGNOR ACKNOWLEDGMENT

STATE OF OKLAHOMA

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COUNTY OF OKLAHOMA

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The foregoing instrument was acknowledged before me this Douglas J. Jacobson, Executive Vice President of Chesapeake Exploration, L.L.C., an Oklahoma limited liability company, Chesapeake Appalachia, L.L.C., an Oklahoma limited liability company, Chesapeake AEC Acquisition, L.L.C., an Oklahoma limited liability company and Ohio Buckeye Energy, L.L.C., an Ohio limited liability company, on behalf of said limited liability companies.

My Commission Expires: 6-11-15

Commission Number: 330893

# 03008905 EXP. 06/11/16

IN WITNESS WHEREOF, Assignee has executed this instrument on the date of the acknowledgment annexed hereto, but effective for all purposes as of the Effective Time.

### ASSIGNEE:

CHK UTICA, L.L.C.,

a Delaware limited liability company

By: CHESAPEAKE EXPLORATION, L.L.C.,

its sole managing member

Domenic J. Dell'Osso, Jr.

Executive Vice President & Chief Financial Officer

## ASSIGNEE ACKNOWLEDGMENT

STATE OF OKLAHOMA

100 100 100

COUNTY OF OKLAHOMA

The foregoing instrument was acknowledged before me this |5+ | brember, 2011 by Domenic J. Dell'Osso, Ir., Executive Vice President and Chief Financial Officer of Chesapeake Exploration, L.L.C., an Oklahoma limited liability company, the sole managing member of CHK Utica, L.L.C., a Delaware corporation, on behalf of said limited liability company.

My Commission Expires: 6.11-5

Commission Number: 3533893

YOUSE D. EXP. O. PUBLIC PARTIES OF OKLAN

This instrument was prepared by Chesapeake Utica, L.L.C. 6100 N. Western Avenue Oklahoma City, OK. 731118

Exhibit "A"

Attached to and made a part of that certain Assignment, Bill of Sale and Conveyance dated effective November 1, 2011 from Chesapeake Exploration, L.L.C., Chesapeake Appalachia, L.L.C., Chesapeake AEC Acquisition, L.L.C., and Ohio Buckeye Energy, L.L.C., as Assignor to CHK Utica, L.L.C., as Assignee

Property Number	Well Name	Location	County	State	API#
833636	Balley 35-12-4 6H	35-12N-4W	Carroll	OH	3401922089
833490	West 4-15-5 3H	4-15N-5W	Carroll	OH	3401922082
833124	Bucey 3H	21-14N-4W	Carroll	OH	3401922074
833530	Burgett 7-15-6 8H RS	7-15N-6W	Carroll	OH	3401922085
833516	Coniglio 7-14-4 6H	7-14N-4W	Carroll	OH	3401922084
833486	Shaw 20-14-5 5H	20-14N-5W	Carroll	OH	3401922081
833017	Calvin Mangun 8H	22-15N-5W	Carroll	OH	3401922073
833129	Neider 3H	10-14N-5W	Carroll	OH	3401922075
833130	Harvey 8H	16-14N-5W	Carroll	OH	3401922076
833353	White 8H	17-13N-5W	Carroll	OH	3401922088

EXHIBIT "A"

Attached to and made a part of that certain Assignment, Bill of Sale and Conveyance dated effective November 1, 2011 from Chesapeake Exploration, L.L.C., Chesapeake Appalachia, L.L.C., and Ohio Buckeye Energy, L.L.C., as Assigner to CHK Utica, L.L.C., as Assignee

Lease Number	Lessor	Lessee	Lease Date	Township	Book	Page	Instrument	County	State
34-000087-000	REPELLA INVESTMENTS, LLC	KENYON ENERGY, LLC	5/14/2010	UNION	60	1519	201000001865	CARROLL	ОН
34-000101-000	HOWARD W SPAHR AND DONNA	KENYON ENERGY LLC	7/29/2010	CENTER	61	2604	201000002766	CARROLL	ОН
34-000105-000	THEODORE R SUMMER, JR	KENYON ENERGY, LLC	7/26/2010	WASHINGTON	61	2364	201000002701	CARROLL	ОН
34-000117-000	LEONARD A LATTIN AND VERONICA	KENYON ENERGY, LLC	7/14/2010	PERRY	61	2353	201000002699	CARROLL	ОН
34-000119-000	RICHARD L TOALSTON AND LAURA	KENYON ENERGY, LLC	6/5/2010	EAST	61	578	201000002313	CARROLL	ОН
34-000124-000	LONNIE D LUCAS AND JENNIFER	KENYON ENERGY LLC	7/14/2010	CENTER	61	2359	201000002700	CARROLL	ОН
34-000126-000	MARK R FRITZ AND MICHELLE	KENYON ENERGY, LLC	7/27/2010	AUGUSTA	62	176	20100002896	CARROLL	ОН
34-000127-000	FRITZ DAIRY FARMS, LLC	KENYON ENERGY, LLC	7/27/2010	AUGUSTA WASHINGTON	62	163	201000002894	CARROLL	ОН
34-000131-000	WARREN H WEFLER, A SINGLE MAN	KENYON ENERGY, LLC	5/17/2010	AUGUSTA	60	1515	201000001864	CARROLL	он

Instrument Book Pase 201100007779 DR 77 746

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATRAMALIPERSON, FOR MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFOR 12.00 12.00 13.00 INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC BLCORDS: PMOUN SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

# AMENDED AND RESTATED ASSIGNMENT, BILL OF SALE AND CONVEYANCE

STATE OF OHIO

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COUNTY OF CARROLL

2011000077779 Kengeh
Filed for Record in
CARROLL COUNTY, DHIO
PATRICIA J. DYER, RECORDER
12-08-2011 At 01:36 pm.
ASSIGN LEAS 18508.00
DR Book 77 Page 746 - 1225

THIS AMENDED AND RESTATED ASSIGNMENT, BILL OF SALE AND CONVEYANCE (this "Assignment"), dated effective as of November 1, 2011 at 7:00 a.m. Central Time (the "Effective Time"), is made by CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, CHESAPEAKE APPALACHIA, L.L.C., an Oklahoma limited liability company, and OHIO BUCKEYE ENERGY, L.L.C., an Ohio limited liability company (collectively, "Assignor") to CHK UTICA, L.L.C., a Delaware limited liability company ("Assignee"). This Assignment is executed and delivered in connection with and pursuant to the terms of that certain Contribution Agreement between Assignor and Assignee dated November 1, 2011 (as amended, the "Contribution Agreement"), and modifies, amends, restates and replaces, without duplication, the Prior Assignment (as defined in Section 6.5 below). Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Contribution Agreement.

- Assignment. For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER, AND DELIVER unto Assignee, an undivided seventy-two percent (72%) (the "Conveyed Interests") of all of Assignor's interest in and to the following, subject to the terms and reservations hereof and specifically, LESS AND EXCEPT the Excluded Assets (as hereinafter defined) (the "Properties"):
- 1.1 (i) all oil and gas leases, leasehold interests, operating rights, working interests, net revenue interests and similar operating interests, or other rights to Hydrocarbons (whether producing or non-producing), described in Exhibit "A" attached hereto, in each case, as to all depths (collectively, all of the foregoing, the "Leases"); (ii) the lands covered by the Leases and all lands pooled or unitized therewith (collectively, the "Lands"); and (iii) all expressed or implied rights-of-way, easements and other surface rights, insofar and only insofar as the same arise in or under the Leases (collectively, the "Easements"; and the interests described in subparts 1.1(i)-1.1(iii) are collectively referred to as the "Real Property Interests");
- Formation or currently being drilled to the Utica Shale Formation (the "Wells"), (ii) all Lease Owned well heads, casing, tubing, pumps, motors, gauges, valves, heaters and treaters constituting part of or connected to the Wells, (iii) all Lease Owned automation equipment constituting part of or connected to the Wells, (iv) all Lease Owned gathering lines and improvements, water lines, vessels, tanks, boilers, separators, treating equipment, fixtures, compressors and other equipment used in connection with the Wells, (v) all Lease Owned power lines, telephone and communication lines used in connection with the Wells, (vi) all Lease Owned injection wells and water disposal facilities used in connection with the Wells, (vii) all other Lease Owned appurtenances owned and used in connection with the production, treating, storing, transportation or marketing of Hydrocarbons from the Wells, and (viii) any and all other equipment, machinery, fixtures and other tangible personal property and improvements located on or used in connection with the operation of the Wells (collectively referred to as the "Equipment");
- 1.3 all presently existing unitization, pooling and/or communitization agreements, declarations or designations and contractually, statutorily, judicially or administratively created drilling, spacing and/or production units, insofar as the same are attributable or allocated to the

Instrument Book Page 201100007779 DR 77 747

Real Property Interests or the Wells, and all of the Assignor's interest in and to the properties covered or units created thereby which are attributable to the Real Property Interests or the Wells;

- 1.4 all presently existing and valid Hydrocarbon sales agreements, operating agreements (excluding any operating rights or duties), gathering agreements, transportation agreements, farmout and farmin agreements, participation agreements, unitization, pooling and communitization agreements, purchase agreements, exploration agreements, area of mutual interest agreements, exchange and processing contracts and agreements and any other contracts, agreements and instruments insofar as the above agreements cover, are attributable to or relate to the Real Property Interests or the Wells, Equipment or any interests pooled, communitized or unitized therewith, including those contracts and agreements described in the Contribution Agreement;
- 1.5 all Hydrocarbons in, on, under or produced from or attributable to the Wells and the proceeds thereof; and
- 1.6 copies of the Records to the extent relating to the Properties described in the foregoing subsections (1.1) through (1.5).

It is the intent of Assignor to convey and this Assignment hereby conveys to Assignee, subject to the reservations and conditions herein contained, from and after the Effective Time, the Conveyed Interests, regardless of the omission of any lease or leases, errors in description, any incorrect or misspelled names, or any transcribed or incorrect recording references.

TO HAVE AND TO HOLD all and singular such Conveyed Interests together with all rights, titles, interests, estates, remedies, powers, and privileges thereunto appertaining unto Assignee and Assignee's successors and assigns forever; subject to the following matters:

- a. (A) with respect to any Leases and other leasehold interests: royalties and overriding royalties, and (B) with respect to Wells: royalties, overriding royalties and other burdens or encumbrances to the extent they do not, individually or in the aggregate, increase Assignor's Working Interest (without at least a proportionate corresponding increase in Assignor's Net Revenue Interest) in any Well from that described in the Contribution Agreement;
- Liens for Taxes for which payment is not due or which are being contested in good faith by appropriate proceedings;
- c. Liens (other than Liens in favor of Assignor or its Affiliates) of mechanics, materialmen, warehousemen, landlords, vendors, and carriers and any similar Liens (other than Liens in favor of Assignor or its Affiliates) arising by operation of Law which, in each instance, arise in the ordinary course, for sums not yet due or which are being contested in good faith by appropriate proceedings;
- d. Liens (other than Liens in favor of Assignor or its Affiliates) under operating agreements, unit agreements, unitization and pooling designations and declarations, gathering and transportation agreements, processing agreements, Hydrocarbon purchase contracts and all of the other Contracts;
- e. easements, surface leases, and other rights and plat restrictions, zoning laws, restrictive covenants and conditions, and building and other land use laws and similar encumbrances, insofar as the same do not materially interfere with the operation, development or use of the affected Property;
- f. all rights to consent by, required notices to, filings with or other actions by Governmental Authorities in connection with the sale, disposition, transfer or conveyance of federal, state, tribal or other governmental oil and gas leases or interests therein or related thereto, which are customarily obtained subsequent to the assignment, disposition or transfer of such oil and gas leases or interests therein, or such operations;
- g. conventional rights of reassignment obligating the lessee to reassign or offer to reassign its interests in any lease prior to a release or abandonment of such lease;

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- h. required non-governmental Third Party consents to assignments which have been obtained or waived by the appropriate parties or which need not be obtained prior to an assignment or which cannot be unreasonably withheld, and preferential rights to purchase which have been waived by the appropriate parties or for which the time period for asserting such rights has expired without the exercise of such rights;
- i. all defects or irregularities (A) arising out of lack of affirmative statement of corporate authorization or a variation in corporate name, (B) that have been cured or remedied by applicable statutes of limitation or statutes for prescription, (C) consisting of the failure to recite marital status in documents or omissions of heirship proceedings, (D) that have been cured by possession under applicable statutes of limitation, or (E) resulting from lack of survey or failure to record releases of liens, production payments or mortgages that have expired by their own terms or the enforcement of which are barred by applicable statutes of limitation;
- j. rights vested in or reserved to any Governmental Authority to regulate the Properties, to terminate any right, power, franchise, license or permit afforded by such Governmental Authority, or to condemn, expropriate or designate a buyer of any of the Properties;
- k. any provision in a Lease, surface lease, easement, or other surface use agreement entered into prior to the Effective Time providing a Third Party with rights to an overriding royalty interest or other burdens or payments triggered by the use of the relevant surface property for drilling or other purposes (each a "Surface Use Burden"), provided that, with respect to the Wells only, such Surface Use Burdens do not reduce Assignor's Net Revenue Interest in such Well from that described in the Contribution Agreement;
- the Royalty Agreement and any and all obligations thereunder and rights created thereby or pursuant thereto; and
  - m. the Contribution Agreement.
- Excluded Assets. Assignor specifically excepts from this Assignment and reserves unto itself the following (the "Excluded Assets"):
- Assignor's minute books, financial and income tax records and legal records (other than title records);
- 2.2 any existing or future refund of costs, Taxes or expenses borne by Assignor, any Affiliates of Assignor, or its predecessors in title attributable to the period prior to the Effective Time;
- 2.3 any and all proceeds from the settlements of contract disputes insofar as said proceeds are attributable to periods of time prior to the Effective Time;
- 2.4 all rights and interests of Assignor or any Affiliates of Assignor under (i) any policy, bond or agreement of insurance or indemnity (including any rights, claims or causes of action of Assignor against Third Parties under any indemnities or hold harmless agreements and any indemnities received in connection with Assignor's or any of its Affiliates' prior acquisition of any of the Properties), to the extent and only to the extent such rights and interests relate to the ownership of the Properties prior to the Effective Time and (ii) under any bond;
- 2.5 all of Assignor's and its Affiliates' proprietary computer software, patents, trade secrets, copyrights, names, trademarks, logos, and other intellectual property;
- 2.6 all accounts receivable and audit rights arising under any of the applicable contracts or otherwise with respect to any of the other items included in this definition of Excluded Assets, to the extent and only to the extent such rights and interests related to the ownership of the Properties prior to the Effective Time;
- 2.7 Geological and Geophysical Information and any other information which Assignor is prohibited from sharing by agreement with a Third Party;
- 2.8 (A) all mineral fee interests owned by Assignor or any of its Affiliates, (B) all royalty interests and overriding royalty interests owned by Assignor or any of its Affiliates and

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- (C) any wellbores located on the Properties, other than the Wells and Lease-Owned water or disposal wells;
- 2.9 all claims of Assignor or any of its Affiliates for refunds of or loss carry forwards with respect to (A) any other Taxes attributable to any period prior to the Effective Time, (B) income or franchise Taxes or (C) any Taxes attributable to any of the other items included in this definition of the Excluded Assets;
- 2.10 all "virtual courthouses" of Assignor or any of its Affiliates, all of their respective exclusive use arrangements with title abstract facilities, and all documents and instruments of Assignor or any of its Affiliates that may be protected by an attorney-client privilege, and all data that cannot be disclosed to Assignee or its members as a result of confidentiality arrangements under agreements with Third Parties (other than title opinions and other title records relating to the Properties);
- 2.11 all surface fee interests (but excluding the Easements), surface leasehold and other surface property interests (but excluding the Easements) and all buildings, offices, improvements, appurtenances, field offices and yards;
- 2.12 non-Lease Owned equipment such as compressors on the wellheads of the Wells operated by Assignor or its Affiliates owned by or leased from Assignor, its Affiliates or Third Parties;
- 2.13 automation systems including meters and related telemetry, licensed radio frequencies and associated communications infrastructure including towers, antennas, data links and network circuits, except any Lease Owned equipment;
- 2.14 all drilling rigs and related equipment, work over rigs and related equipment, tools and other equipment brought onto a well site temporarily for purposes of drilling, reworking or maintaining a well, all vehicles, and any other non-Lease Owned equipment, inventory, machinery, tools and other personal property not currently in use for the operation of a well or wells;
- 2.15 all assets of Chesapeake Midstream Group and all of the assets of Chesapeake Oilfield Group;
- 2.16 all non-Leased Owned salt water disposal wells, systems and related equipment; and
- 2.17 all of the Contributors' retained right, title and interest in and to the Properties after their contributions to the Company of the Conveyed Interests in accordance with the terms hereof and the Contribution Agreement.
- 3. <u>Contribution Agreement and Development Agreement.</u> (i) The Conveyed Interests are subject to the terms of that certain Development Agreement between Chesapeake Exploration, L.L.C. and Assignee dated as of even date with the Contribution Agreement, and (ii) this Assignment is made expressly subject to the terms and provisions of the Contribution Agreement, including, without limitation, (A) certain limited remedies provided therein related to the general warranty provided below, (B) the assumption by Assignee of the Assumed Obligations (as defined therein), and (C) the retention by Assignor of the Retained Liabilities (as defined therein).
- 4. General Warranty of Title. Assignor does hereby bind itself and its successors and assigns to warrant and forever defend all and singular title conveyed as of the date hereof to the Conveyed Interests unto Assignee and Assignee's successors and assigns, against every Person whomsoever lawfully claiming or to claim the same or any part thereof. Further, Assignee is specifically assigned, and subrogated to, warranties of title which Assignor may have from Assignor's predecessors in interest (other than Affiliates of Assignor) to the extent applicable with respect to the Conveyed Interests and to the extent Assignor may legally assign such rights and grant such subrogation.

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# 5. Limitations on Representations and Warranties

- EXCEPT FOR THE EXPRESS AND SPECIFIC REPRESENTATIONS AND WARRANTIES OF ASSIGNOR IN THE CONTRIBUTION AGREEMENT, IN ANY OTHER TRANSACTION DOCUMENTS, AND EXCEPT FOR THE GENERAL WARRANTY OF TITLE CONTAINED IN THIS ASSIGNMENT, ASSIGNEE ACKNOWLEDGES THAT ASSIGNOR HAS NOT MADE, AND ASSIGNOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY EXPRESSLY WAIVES, ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE, INCLUDING THOSE RELATING TO (a) PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, DECLINE RATES, GAS BALANCING INFORMATION, OR THE QUALITY, QUANTITY OR VOLUME OF THE RESERVES OF HYDROCARBONS, IF ANY, ATTRIBUTABLE TO THE PROPERTIES OR ASSIGNOR'S INTEREST THEREIN, (b) THE ACCURACY, COMPLETENESS OR MATERIALITY OF ANY RECORDS, INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR ORAL) NOW, HERETOFORE OR HEREAFTER FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR, AND (c) THE ENVIRONMENTAL OR OTHER CONDITION OF THE PROPERTIES.
- EXCEPT FOR THE EXPRESS AND SPECIFIC REPRESENTATIONS AND WARRANTIES OF ASSIGNOR IN THE CONTRIBUTION AGREEMENT, ANY OTHER TRANSACTION DOCUMENTS, AND EXCEPT FOR THE GENERAL WARRANTY OF TITLE CONTAINED IN THIS ASSIGNMENT, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY WAIVES, AS TO PROPERTY, EQUIPMENT, INVENTORY, MACHINERY PERSONAL FIXTURES CONSTITUTING A PART OF THE PROPERTIES (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (c) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (d) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS, WHETHER KNOWN OR UNKNOWN, (e) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW, AND (f) ANY IMPLIED OR EXPRESS WARRANTY REGARDING ENVIRONMENTAL LAWS, THE RELEASE OF SUBSTANCES, WASTES OR MATERIALS INTO THE ENVIRONMENT, OR PROTECTION OF THE ENVIRONMENT OR HEALTH, IT BEING THE EXPRESS INTENTION OF ASSIGNEE AND ASSIGNOR THAT, EXCEPT AS SET FORTH IN THE CONTRIBUTION AGREEMENT, ANY OTHER TRANSACTION DOCUMENTS, AND EXCEPT FOR THE GENERAL WARRANTY OF TITLE CONTAINED IN THIS ASSIGNMENT, THE PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES IN WHICH ASSIGNOR HAS ANY INTEREST ARE BEING ACCEPTED BY ASSIGNEE, "AS IS, WHERE IS, WITH ALL FAULTS" AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR.
- 5.3 ASSIGNOR AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN WARRANTIES CONTAINED IN THIS SECTION 5 ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.

## Miscellaneous.

- 6.1. <u>Cooperation</u>. In addition to this Assignment, Assignor shall execute, acknowledge, and deliver to Assignee, in a timely manner and without further consideration, any documents or instruments that Assignee may reasonably require, including, without limitation, further assignments or conveyances required by any state or federal authority, deeds, and consents to further evidence the assignment and conveyance of the Conveyed Interests by Assignor to Assignee.
- 6.2. <u>Choice of Law</u>. This Assignment will be interpreted, construed, and enforced in accordance with the laws of the State of Ohio, without giving effect to any rules or principles of conflicts of law that might otherwise refer to the laws of another jurisdiction.

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- 6.3. <u>Successors and Assigns</u>. This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.
- 6.4. Counterparts. This Assignment may be executed in multiple counterparts, each of which will be an original instrument, but all of which will constitute one assignment
- 6.5. Effect of Amendment and Restatement. This Amended and Restated Assignment, Bill of Sale and Conveyance modifies, amends, restates and replaces, without duplication, that certain Assignment, Bill of Sale and Conveyance from Assignor to and in favor of Assignee signed November 1, 2011 (the "Prior Assignment") that was filed of record under Document No. 201100007432 in Volume 76 at Page 3827 of the deed records of Carroll County, Ohio.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK SIGNATURE PAGES FOLLOW] Case: 5:12-cv-01736-JRA Doc #: 27 Filed: 03/08/13 163 of 182. PageID #: 401

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IN WITNESS WHEREOF, Assignor has executed this instrument on the date of the acknowledgment annexed hereto, but effective for all purposes as of the Effective Time.

# ASSIGNOR:

CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company CHESAPEAKE APPALACHIA, L.L.C., an Oklahoma limited liability company

By:

Douglas J. Jacobson Executive Vice President Douglas J. Jacobson
Executive Vice President

CHESAPEAKE AEC ACQUISITION, L.L.C., an Oklahoma limited liability company

OHIO BUCKEYE ENERGY, L.L.C., an Ohio limited liability company

By:

Douglas J. Jacobson Executive Vice President By:

Douglas J. Jacobson

Executive Vice President

### ASSIGNOR ACKNOWLEDGMENT

STATE OF OKLAHOMA

500 100 100

COUNTY OF OKLAHOMA

The foregoing instrument was acknowledged before me this December 2, 2011 by Douglas J. Jacobson, Executive Vice President of Chesapeake Exploration, L.L.C., an Oklahoma limited liability company, Chesapeake Appalachia, L.L.C., an Oklahoma limited liability company, Chesapeake AEC Acquisition, L.L.C., an Oklahoma limited liability company and Ohio Buckeye Energy, L.L.C., an Ohio limited liability company, on behalf of said limited liability companies.

Mr. Commission Funds

My Commission Expires: 6 11 15 Commission Number 2622 89

# 03008905 EXP. 06/11/15

Instrument 201100007779 DR

IN WITNESS WHEREOF, Assignee has executed this instrument on the date of the acknowledgment annexed hereto, but effective for all purposes as of the Effective Time.

### ASSIGNEE:

CHK UTICA, L.L.C.,

a Delaware limited liability company

By: CHESAPEAKE EXPLORTION, L.L.C.,

its sole managing member

Executive Vice President

### ASSIGNEE ACKNOWLEDGMENT

STATE OF OKLAHOMA

8

COUNTY OF OKLAHOMA

3 8

The foregoing instrument was acknowledged before me this December 2 2011 by Douglas J. Jacobson, Executive Vice President of Chesapeake Exploration, L.L.C., an Oklahoma limited liability company, the sole managing member of CHK Utica, L.L.C., a Delaware limited liability company, on behalf of said limited liability company.

My Commission Expires: 6-11-6

Commission Number: \_ 0509905

VOI VOI YOUSE Q. EXP. AUBLIC OF OKLA

This instrument was prepared by CHK Utica, L.I.C. 6100 N. Western Avenue Oklahoma City, OK 73118

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Attached to and made a part of that certain Assignment, Bill of Sale and Conveyance dated effective November 1, 2011 from Chesapeake Exploration, L.L.C., Chesapeake Appalachia, L.L.C., Chesapeake AEC Acquisition, L.L.C., and Ohio Buckeye Energy, L.L.C., as Assignor to CHK Utica, L.L.C., as Assignee

Property Number	Well Name	Location	County	State	API#
833636	Bailey 35-12-4 6H	35-12N-4W	Carroll	ОН	3401922089
833124	Bucey 3H	21-14N-4W	Carroll	ОН	3401922074
833530	Burgett 7-15-6 8H RS	7-15N-6W	Carroll	OH	3401922085
833017	Calvin Mangun 8H	22-15N-5W	Carroll	ОН	3401922073
833516	Coniglio 7-14-4 6H	7-14N-4W	Carroll	ОН	3401922084
833130	Harvey 8H	16-14N-5W	Carroll	ОН	3401922076
833129	Neider 3H	10-14N-5W	Carroll	ОН	3401922075
833486	Shaw 20-14-5 5H	20-14N-5W	Carroll	ОН	3401922081
833867	Tanner 24-12-4 10H	23-12N-4W	Carroll	ОН	3401922090
833490	West 4-15-5 3H	4-15N-5W	Carroll	ОН	3401922082
833353	White 17-13-5 8H	17-13N-5W	Carroll	ОН	3401922088

EXHIBIT "A"

Attached to and made a part of that certain Assignment, Bill of Sale and Conveyance dated effective November 1, 2011 from Chesapeake Exploration, L.L.C., Chesapeake Appalachia, L.L.C., Chesapeake Appalachia, L.L.C., and Ohio Buckeye Energy, L.L.C., as Assignor to CHK Utica, L.L.C., as Assignor

Lessor	Lessee	Lease Date	Township	Book	Page	Instrument	County	State
LEONARD A. LATTIN AND VERONICA S. LATTIN, HUSBAND AND WIFE	KENYON ENERGY, LLC	7/14/2010	PERRY	61	2353	201000002699	CARROLL	ОН
RICHARD L TOALSTON AND LAURA TOALSTON, HUSBAND AND WIFE	KENYON ENERGY, LLC	6/5/2010	EAST	61	578	201000002313	CARROLL	ОН
LONNIE D. LUCAS AND JENNIFER M. LUCAS, HUSBAND AND WIFE	KENYON ENERGY LLC	7/14/2010	CENTER	61	2359	201000002700	CARROLL	ОН
MARK R. FRITZ AND MICHELLE E. FRITZ, HUSBAND AND WIFE	KENYON ENERGY, LLC	7/27/2010	AUGUSTA	62	176	20100002896	CARROLL	ОН
FRITZ DAIRY FARMS, LLC	KENYON ENERGY, LLC	7/27/2010	AUGUSTA	62	163	201000002894	CARROLL	ОН
WARREN H. WEFLER, A SINGLE MAN	KENYON ENERGY, LLC	5/17/2010	AUGUSTA	60	1515	201000001864	CARROLL	ОН
JERRY G LEGGETT AND MILDRED M LEGGET, HUSBAND AND WIFE	KENYON ENERGY LLC	6/16/2010	PERRY	61	2376	201000002703	CARROLL	ОН
RAYMOND F. HAYLEY AND SHIRLEY M. HAYLEY, HUSBAND AND WIFE	OHIO BUCKEYE ENERGY, L.L.C.	8/23/2010	PERRY	62	1826	201000003253	CARROLL	OH
	LEONARD A. LATTIN AND VERONICA S. LATTIN, HUSBAND AND WIFE  RICHARD L TOALSTON AND LAURA TOALSTON, HUSBAND AND WIFE  LONNIE D. LUCAS AND JENNIFER M. LUCAS, HUSBAND AND WIFE  MARK R. FRITZ AND MICHELLE E. FRITZ, HUSBAND AND WIFE  FRITZ DAIRY FARMS, LLC  WARREN H. WEFLER, A SINGLE MAN  JERRY G LEGGETT AND MILDRED M LEGGET, HUSBAND AND WIFE  RAYMOND F. HAYLEY AND SHIRLEY M.	LEONARD A. LATTIN AND VERONICA S. LATTIN, HUSBAND AND WIFE  RICHARD L TOALSTON AND LAURA TOALSTON, HUSBAND AND WIFE  LONNIE D. LUCAS AND JENNIFER M. LUCAS, HUSBAND AND WIFE  MARK R. FRITZ AND MICHELLE E. FRITZ, HUSBAND AND WIFE  FRITZ DAIRY FARMS, LLC  WARREN H. WEFLER, A SINGLE MAN  KENYON ENERGY, LLC  KENYON ENERGY, LLC  KENYON ENERGY, LLC  WENYON ENERGY, LLC  WENYON ENERGY, LLC  WENYON ENERGY, LLC  WENYON ENERGY, LLC  JERRY G LEGGETT AND MILDRED M LEGGET, HUSBAND AND WIFE  RAYMOND F. HAYLEY AND SHIRLEY M.  OHIO BUCKEYE ENERGY, LLC.	LEONARD A. LATTIN AND VERONICA S. LATTIN, HUSBAND AND WIFE  RICHARD L TOALSTON AND LAURA TOALSTON, HUSBAND AND WIFE  LONNIE D. LUCAS AND JENNIFER M. LUCAS, HUSBAND AND WIFE  MARK R. FRITZ AND MICHELLE E. FRITZ, HUSBAND AND WIFE  KENYON ENERGY, LLC  7/14/2010  7/27/2010  FRITZ DAIRY FARMS, LLC  KENYON ENERGY, LLC  7/27/2010  WARREN H. WEFLER, A SINGLE MAN  KENYON ENERGY, LLC  7/27/2010  JERRY G LEGGETT AND MILDRED M LEGGET, HUSBAND AND WIFE  RAYMOND F. HAYLEY AND SHIRLEY M.  OHIO BUCKEYE ENERGY, LLC.  8/23/2010	LEONARD A. LATTIN AND VERONICA S.  LATTIN, HUSBAND AND WIFE  RICHARD L TOALSTON AND LAURA TOALSTON, HUSBAND AND WIFE  LONNIE D. LUCAS AND JENNIFER M. LUCAS, HUSBAND AND WIFE  MARK R. FRITZ AND MICHELLE E. FRITZ, HUSBAND AND WIFE  KENYON ENERGY, LLC  7/27/2010  AUGUSTA  WASHINGTON  WARREN H. WEFLER, A SINGLE MAN  KENYON ENERGY, LLC  7/27/2010  AUGUSTA  WASHINGTON  WARREN H. WEFLER, A SINGLE MAN  KENYON ENERGY, LLC  FRITZ G LEGGETT AND MILDRED M LEGGET, HUSBAND AND WIFE  RAYMOND F. HAYLEY AND SHIRLEY M.  OHIO BUCKEYE ENERGY, LLC  8/23/2010  PERRY	LEONARD A. LATTIN AND VERONICA S. LATTIN, HUSBAND AND WIFE  RICHARD L TOALSTON AND LAURA TOALSTON, HUSBAND AND WIFE  LONNIE D. LUCAS AND JENNIFER M. LUCAS, HUSBAND AND WIFE  MARK R. FRITZ AND MICHELLE E. FRITZ, HUSBAND AND WIFE  KENYON ENERGY, LLC  7/27/2010  AUGUSTA  62  FRITZ DAIRY FARMS, LLC  KENYON ENERGY, LLC  7/27/2010  AUGUSTA  62  WASHINGTON  WARREN H. WEFLER, A SINGLE MAN  KENYON ENERGY, LLC  FITZ GLEGGETT AND MILDRED M LEGGET, HUSBAND AND WIFE  KENYON ENERGY, LLC  FRITZ GLEGGETT AND MILDRED M LEGGET, HUSBAND AND WIFE  KENYON ENERGY, LLC  FOLIO BUCKEYE ENERGY, LLC  FOLIO BUCKEYE ENERGY, LLC  FOLIO BUCKEYE ENERGY, LLC  FOLIO BUCKEYE ENERGY, LLC  FOLIO BERRY  61  62  63  64  65  66  67  67  67  67  67  67  67  67	LEONARD A. LATTIN AND VERONICA S. LATTIN, HUSBAND AND WIFE  RICHARD L TOALSTON AND LAURA TOALSTON, HUSBAND AND WIFE  LONNIE D. LUCAS AND JENNIFER M. LUCAS, HUSBAND AND WIFE  MARK R. FRITZ AND MICHELLE E. FRITZ, HUSBAND AND WIFE  KENYON ENERGY, LLC  7/27/2010  AUGUSTA  62  163  WASHINGTON  WASHINGTON  FRITZ DAIRY FARMS, LLC  KENYON ENERGY, LLC  FRITZ GEGETT AND MILDRED M LEGGET, HUSBAND AND WIFE  KENYON ENERGY, LLC  KENYON ENERGY, LLC  FRYON ENERGY, LLC  FRYZO10  AUGUSTA  G2  163  G376  FRY  G1  2359  CENTER  G1  2359  CENTER  G1  2359  CENTER  G2  176  CENTER  G1  2359  CENTER  G2  176  CENTER  G1  2359  CENTER  G2  176  CENTER  G1  2376  CENTER  G1  2376  CENTER  CENTON  CENTER  G1  2376  CENTER  CENTON  CENTER	LEDNARD A. LATTIN AND VERONICA S. LATTIN, HUSBAND AND WIFE         KENYON ENERGY, LLC         7/14/2010         PERRY         61         2353         201000002699           RICHARD L TOALSTON AND LAURA TOALSTON, HUSBAND AND WIFE         KENYON ENERGY, LLC         6/5/2010         EAST         61         578         201000002313           LONNIE D. LUCAS AND JENNIFER M. LUCAS, HUSBAND AND WIFE         KENYON ENERGY LLC         7/14/2010         CENTER         61         2359         201000002700           MARK R. FRITZ AND MICHELLE E. FRITZ, HUSBAND AND WIFE         KENYON ENERGY, LLC         7/27/2010         AUGUSTA         62         176         201000002896           FRITZ DAIRY FARMS, LLC         KENYON ENERGY, LLC         7/27/2010         AUGUSTA         62         163         201000002894           WARREN H. WEFLER, A SINGLE MAN         KENYON ENERGY, LLC         5/17/2010         AUGUSTA         60         1515         201000001864           JERRY G LEGGETT AND MILDRED M. LEGGET, HUSBAND AND WIFE         KENYON ENERGY LLC         6/16/2010         PERRY         61         2376         201000002703           RAYMOND F. HAYLEY AND SHIRLEY M.         OHIO BUCKEYE ENERGY, LLC         8/23/2010         PERRY         62         1826         201000003253	LEONARD A. LATTIN AND VERONICA S. LATTIN AND VERONICA S. LATTIN, HUSBAND AND WIFE         KENYON ENERGY, LLC         7/14/2010         PERRY         61         2353         201000002699         CARROLL           RICHARD L TOALSTON AND LAURA TOALSTON AND LAURA TOALSTON, HUSBAND AND WIFE         KENYON ENERGY, LLC         6/5/2010         EAST         61         578         201000002313         CARROLL           LONNIE D. LUCAS AND JENNIFER M. LUCAS, HUSBAND AND WIFE         KENYON ENERGY, LLC         7/14/2010         CENTER         61         2359         201000002700         CARROLL           MARK R. FRITZ AND MICHELLE E. FRITZ, HUSBAND AND WIFE         KENYON ENERGY, LLC         7/27/2010         AUGUSTA         62         176         201000002896         CARROLL           FRITZ DAIRY FARMS, LLC         KENYON ENERGY, LLC         7/27/2010         AUGUSTA         62         163         201000002894         CARROLL           WARREN H. WEFLER, A SINGLE MAN         KENYON ENERGY, LLC         5/17/2010         AUGUSTA         60         1515         201000001864         CARROLL           JERRY G LEGGETT AND MILDRED M LEGGET, HUSBAND AND WIFE         KENYON ENERGY LLC         6/16/2010         PERRY         61         2376         201000002703         CARROLL           RAYMOND F. HAYLEY AND SHIRLEY M.         OHIO BUCKEYE ENERGY, LLC.         8/23/2010

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STATE OF OHIO, CARROLL COUNTY BOX I. PATRICIA J. OYER, Recorder within and for the county of Carron and the Brate of Chip, do hereby certify that the Foregoing is truly balen and cooled fro on Re in said Recorder's Office IN TESTIMONY WHEREOF, I have suttend to have and allived the object real at PATRICIA J. OYER, RECORDER

Instrument 201200001233 OR

201200001233 mal Filed for Record in CARROLL COUNTY, DHID PATRICIA J. DYER, RECORDER 02-09-2012 At 02:41 pm. ASSIGN LEAS 244.00 DR Book 79 Page 3025 - 3030

# ASSIGNMENT OF OIL AND GAS LEASES

STATE OF OHIO	)	
COUNTY OF CARROLL	)	3

#### KNOW ALL MEN BY THESE PRESENTS:

THAT, the undersigned, Kenyon Energy LLC, with an address of 1425 S. Main Street, North Canton, Ohio, 44720, hereinafter referred to as Assignor, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby sell, assign, transfer and set over and convey, without warranty of title either expressed or implied, unto Chesapeake Exploration, L.L.C., 6100 N. Western Ave., Oklahoma City, Oklahoma, 73118, hereinafter referred to as Assignee, all right, title and interest in and to the oil and gas leases set forth on Exhibit "A" attached hereto and made a part hereof reference to which is hereby made for all purposes, together with the rights and interest thereto and the personal property thereon, appurtenant thereto or used or obtained in connection therewith.

IN WITNESS WHEREOF, the undersigned has executed this instrument on the date of the acknowledgment annexed hereto, but with respect to each oil and gas lease described on the Exhibit "A", effective for all purposes as of the date of such oil and gas lease or, if applicable, such later date on which such oil and gas lease or interest therein was acquired by Assignor.

> Kenyon Energy LLC, an Oklahoma limited liability company

Philip M. Lowry - President

### CORPORATE ACKNOWLEDGEMENT

STATE OF OKLAHOMA	)	
	)	SS:
COUNTY OF OKLAHOMA	)	

FER 24 DALY On this the \_\_\_\_\_\_\_ day of \_\_\_\_\_\_ day of \_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_, 20\_1Z\_\_, before me the undersigned, a Notary Public in and for sald state, personally appeared Philip M. Lowry, personally known to me (or satisfactorily proven), who acknowledged himself to be the President of Kenyon Energy LLC., and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company by himself as such President.

In witness thereof, I hereunto set my hand and official seals.

My Commission Expires on:

Notary Public

Prepared by and Return to: Kenyon Energy LLC, 1425 S. Main St., North Canton, OH 44720.

Instrument 201200001233 OR

Book Pase 79 3026

EXHIBIT "A" Attached and made a part of that certain Assignment of Oil Gas Leases from Kenyon Energy, LLC to Chesapeake Exploration, L.L.C. dated February 7, 2012.

LEASE NUMBER	LEASE NAME	LESSEE	PARCEL ID	LEGAL DESCRIPTION	COUNTY	STATE	TOWNSHIP	LEASE DATE	BOOK/PAGE
34-000075-000	ROBERT A. MOSER, A SINGLE	KENYON ENERGY, LLC	01-0000354.000	015N-005W, 19	CARROLL	OH	AUGUSTA	05/14/2010	60/1511
	MAN		01-0000355.000	015N-005W, 19			<b>AUGUSTA</b>		
			01-0000356.000	015N-005W, 19			AUGUSTA		
34-000131-000	WARREN H. WEFLER, A SINGLE	KENYON ENERGY, LLC	01-0000428.000	015N-005W, 20	CARROLL	ОН	AUGUSTA	05/17/2010	60/1515
	MAN	4	01-0000429.000	015N-005W, 20			<b>AUGUSTA</b>	1 1	
			01-0000430.000	015N-005W, 20		1 1	<b>AUGUSTA</b>	1 1	
			01-0000431.000	015N-005W, 20			<b>AUGUSTA</b>	6	
		l	01-0000432.000	015N-005W, 20			<b>AUGUSTA</b>		
			01-0000433.000	015N-005W, 20			AUGUSTA	STA	
34-000087-000	REPELLA INVESTMENTS, LLC	KENYON ENERGY, LLC	33-0001105.000	014N-006W, 02	CARROLL	ОН	UNION	05/14/2010	60/1519
34-000044-000	D. LYNN DUNLAP AND ELLYN J.	KENYON ENERGY, LLC	17-0000168.000	013N-005W, 05	CARROLL	ОН	LEE	05/05/2010	60/1523
	DUNLAP, CO-TRUSTEES OF THE D.		17-0000169.000	013N-005W, 05			LEE		
	LYNN DUNLAP AND ELLYN J.		17-0000825.000	013N-005W, 05			LEE		
	DUNLAP REVOCABLE LIVING	1	17-0000826.001	013N-005W, 05	91		LEE		
	TRUST DATED 12/12/2002		17-0000826.003	013N-005W, 05			LEE		
34-001552-000	ROSS A. MILLS, JR. AND RUTH A.	KENYON ENERGY, LLC	01-0000344.000	015N-005W, 20	CARROLL	ОН	AUGUSTA	05/25/2010	60/1528
	MILLS, HUSBAND AND WIFE		01-0000431.000	015N-005W, 20			AUGUSTA		
	\ .	1	01-0000433.000	015N-005W, 20			AUGUSTA		
			01-0000428.000	015N-005W, 20			AUGUSTA		
34-000037-000	KENNETH E. BOOTH AND NANCY	KENYON ENERGY, LLC	28-0000147.000	012N-005W, 36	CARROLL	ОН	PERRY	06/09/2010	61/573
	C. BOOTH, HUSBAND AND WIFE		28-0000274.000	012N-005W, 23			PERRY		
			28-0000276.000	012N-005W, 22	7.0		PERRY		
			324836293	012N-005W, 22			PERRY		
			324836386	012N-005W, 36			PERRY		

EXHIBIT "A"

Attached and made a part of that certain Assignment of Oil Gas Leases from Kenyon Energy, LLC to Chesapeake Exploration, LL.C. dated February 7, 2012.

LEASE NUMBER	LEASE NAME	LESSEE	PARCEL ID	LEGAL DESCRIPTION	COUNTY	STATE	TOWNSHIP	LEASE DATE	BOOK/PAGE
34-000119-000	RICHARD L. TOALSTON AND LAURA TOALSTON, HUSBAND AND WIFE	KENYON ENERGY, LLC	11-0000375.000 11-0000377.001 11-0000374.000 11-0000519.000 11-0000520.000 11-0000377.000	014N-004W, 29 014N-004W, 32 014N-004W, 32 014N-004W, 32 014N-004W, 32	CARROLL	ОН	EAST EAST EAST EAST EAST	06/05/2010	61/578
34-000036-000	GEORGE K. BUTLER, A WIDOWER	KENYON ENERGY, LLC	12-0000097.000 12-0000098.000 11-0000057.000	013N-004W, 30 013N-004W, 24 014N-004W, 32	CARROLL	ОН	FOX FOX EAST	06/05/2010	61/948
34-000052-000	PEGGY J. FELTON, A WIDOW	KENYON ENERGY, LLC	34-0000433.000	014N-005W, 18	CARROLL	OH	WASHINGTON	06/23/2010	61/954
34-000082-000	RONALD P. PERDUE AND HELEN E. PERDUE, HUSBAND AND WIFE	KENYON ENERGY, LLC	34-0000010.000	014N-005W, 22	CARROLL	ОН	WASHINGTON	06/15/2010	61/959
	WILLARD F. ALLMON AND ANITA M. ALLMON, TRUSTEES OF THE W.F. ALLMON FAMILY TRUST U/A DTD. 3/1/1993	KENYON ENERGY, LLC	01-000004.000 01-000005.000 01-000026.009	015N-005W, 31 015N-005W, 31 015N-005W, 29 015N-005W, 30 015N-005W, 31	CARROLL	ОН	AUGUSTA AUGUSTA AUGUSTA AUGUSTA AUGUSTA	07/10/2010	61/1791
34-000086-000	RICHARD POWELL, A WIDOWER	KENYON ENERGY, LLC	09-0000217.000	014N-005W, 19	CARROLL	ОН	CENTER	07/22/2010	61/2348
	LEONARD A. LATTIN AND VERONICA S. LATTIN, HUSBAND AND WIFE	KENYON ENERGY, LLC	28-0000847.000 28-0000848.000	013N-005W, 31 012N-005W, 36	CARROLL	OH	PERRY PERRY	07/14/2010	61/2353
34-000124-000	LONNIE D. LUCAS AND JENNIFER M. LUCAS, HUSBAND AND WIFE	KENYON ENERGY, LLC	09-0000975.000	014N-005W, 32	CARROLL	ОН	CENTER	07/14/2010	61/2359
	THEODORE R. SUMMER, JR. AND KAZUKO SUMMER, HUSBAND AND WIFE AND TRUSTEES OF THE SUMMER FAMILY REVOCABLE LIVING TRUST	KENYON ENERGY, LLC	34-000032.000 34-0000225.002	014N-005W, 04 014N-005W, 09	CARROLL	ОН	Washington Washington	07/26/2010	61/2364

EXHIBIT "A"

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LEASE NUMBER	LEASE NAME	LESSEE	PARCEL ID	LEGAL DESCRIPTION	COUNTY	STATE	TOWNSHIP	LEASE DATE	BOOK/PAGE
34-000028-000	JOHN H. BARBER AND CHERYL L. BARBER, HUSBAND AND WIFE	KENYON ENERGY, LLC	12-000020.000 12-0000891.000	013N-004W, 18 013N-004W, 18	CARROLL	ОН	FOX FOX	07/01/2010	61/2370
34-000136-000	JERRY G. LEGGETT AND MILDRED M. LEGGET, HUSBAND AND WIFE	KENYON ENERGY, LLC	28-0000772.000 28-0000771.000 28-0000930.000	013N-006W, 05 013N-006W, 05 013N-006W, 05	CARROLL	ОН	PERRY PERRY PERRY	06/16/2010	61/2376
34-000101-000	HOWARD W. SPAHR AND DONNA L SPAHR, HUSBAND AND WIFE	KENYON ENERGY, LLC	09-0000732.000	015N-006W, 03	CARROLL	ОН	CENTER	07/29/2010	61/2604
34-000066-000	GORDON V. ISENHOUR AND PATRICIA R. ISENHOUR, HUSBAND AND WIFE	KENYON ENERGY, LLC	12-0000134.000	013N-004W, 05	CARROLL	ОН	FOX	07/27/2010	62/150
34-000127-000	FRITZ DAIRY FARMS, LLC	KENYON ENERGY, LLC	01-000063.000 34-000296.009 34-000296.010	015N-005W, 29 014N-005W, 29 014N-005W, 29	CARROLL	ОН	AUGUSTA WASHINGTON WASHINGTON	07/27/2010	62/163
34-000056-000	JEFFREY E. FRAME AND PENNY L. FRAME, HUSBAND AND WIFE	KENYON ENERGY, LLC	28-0001127.000 28-0001127.002 28-0001127.003 28-0001127.004	012N-005W, 23 012N-005W, 23 012N-005W, 23 012N-005W, 23	CARROLL	ОН	PERRY PERRY PERRY PERRY	08/04/2010	62/169
CONTRACTOR OF THE CONTRACTOR O	MARK R. FRITZ AND MICHELLE E. FRITZ, HUSBAND AND WIFE	KENYON ENERGY, LLC	01-0000427.001 01-0000108.000	015N-005W, 30 015N-005W, 30	CARROLL	ОН	AUGUSTA AUGUSTA	07/27/2010	62/176
	WALTER C. HUNT AND ANNA L. HUNT, HUSBAND AND WIFE	KENYON ENERGY, LLC	17-0000322.000 17-0000324.000 17-0000325.000 17-0000326.000	013N-005W, 09 013N-005W, 09 013N-005W, 09 013N-005W, 09	CARROLL	ОН	LEE LEE LEE LEE	07/23/2010	62/182
34-001442-001	JEANNINE LOUISE AND LEE JOBES, WIFE AND HUSBAND	KENYON ENERGY, LLC	11-0000419.000 11-0000420.000	015N-005W, 25 015N-005W, 25	CARROLL	ОН	EAST EAST	08/17/2010	62/1790

Instrument 201200001233 OR

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EXHIBIT "A"

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LEASE NUMBER	LEASE NAME	LESSEE	PARCEL ID	LEGAL DESCRIPTION	COUNTY	STATE	TOWNSHIP	LEASE DATE	BOOK/PAGE
	JEANNINE LOUISE JOBES A/K/A JEANNINE LOUISE BRINKER A/K/A JEANNINE LOUISE BRINKER JOBES AND LEE JOBES, WIFE AND HUSBAND	10	11-0000419.000 11-0000420.000	015N-005W, 25 015N-005W, 25	CARROLL	ОН	EAST EAST	8/17/2010	/ 63/1251
34-000546-002	JEANNINE LOUISE AND LEE JOBES, WIFE AND HUSBAND	KENYON ENERGY, LLC	11-0000153.000 11-0000153.001	015N-005W, 36 015N-005W, 36	CARROLL	ОН	EAST EAST	08/17/2010	62/1794
	JEANNINE LOUISE JOBES A/K/A JEANNINE LOUISE BRINKER A/K/A JEANNINE LOUISE BRINKER JOBES AND LEE JOBES, WIFE AND HUSBAND	KENYON ENERGY, LLC	11-0000153.001	015N-005W, 36	CARROLL	OH	EAST	8/17/2010	63/1257
	MARY KATHLEEN AND BILLY CARL RAY, WIFE AND HUSBAND	KENYON ENERGY, LLC	11-0000419.000 11-0000420.000	015N-005W, 25 015N-005W, 25	CARROLL	ОН	EAST EAST	08/17/2010	62/1798
	MARY KATHLEEN RAY A/K/A MARY KATHLEEN BRINKER RAY AND BILLY CARL RAY, WIFE AND HUSBAND	KENYON ENERGY, LLC	11-0000419.000 11-0000420.000	015N-005W, 25 015N-005W, 25	CARROLL	ОН	EAST EAST	8/17/2010	63/1240
	MARY KATHLEEN AND BILLY CARL RAY, WIFE AND HUSBAND	KENYON ENERGY, LLC	11-0000153.000 11-0000153.001	015N-005W, 36 015N-005W, 36	CARROLL	ОН	EAST EAST	08/17/2010	62/1802
	MARY KATHLEEN RAY A/K/A MARY KATHLEEN BRINKER A/K/A MARY KATHLEEN BRINKER RAY AND BILLY CARL RAY, WIFE AND HUSBAND	KENYON ENERGY, LLC	11-0000153.001	015N-005W, 36	CARROLL	ОН	EAST	8/17/2010	63/1246
34-001442.004	JAMES WILLIAM AND RONDA KAY BRINKER, HUSBAND AND WIFE	KENYON ENERGY, LLC	11-0000419.000 11-0000420.000	015N-005W, 25 015N-005W, 25	CARROLL	ОН	EAST EAST	8/17/2010	62/1806

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34-001442-004	JAMES WILLIAM BRINKER AND RONDA KAY BRINKER A/K/A RHONDA KAY BRINKER, HUSBAND AND WIFE	KENYON ENERGY, LLC	11-0000419.000 11-0000420.000	015N-005W, 25 015N-005W, 25	CARROLL	ОН	EAST EAST	8/17/2010	63/1274
34-000546-003	JAMES WILLIAM AND RONDA KAY BRINKER, HUSBAND AND WIFE	KENYON ENERGY, LLC	11-0000153.000 11-0000153.001	015N-005W, 36 015N-005W, 36	CARROLL	ОН	EAST EAST	8/17/2010	62/1810
34-000546-003	JAMES WILLIAM BRINKER AND RONDA KAY BRINKER A/K/A RHONDA KAY BRINKER, HUSBAND AND WIFE	KENYON ENERGY, LLC	11-0000153.001	015N-005W, 36	CARROLL	ОН	EAST	8/17/2010	63/1280
34-001442-002	MERCH ROBERT BRINKER, III AND SHERILYNN, HUSBAND AND WIFE	KENYON ÉNERGY, LLC	11-0000419.000 11-0000420.000	015N-005W, 25 015N-005W, 25	CARROLL	ОН	EAST EAST	8/17/2010	62/1814
34-001442-002	MERCH ROBERT BRINKER III AND SHERRILYNN BRINKER, HUSBAND AND WIFE	KENYON ENERGY, LLC	11-0000419.000 11-0000420.000	015N-005W, 25 015N-005W, 25	CARROLL	ОН	EAST EAST	8/17/2010	63/1268
34-000546-001	MERCH ROBERT BRINKER, III AND SHERILYNN, HUSBAND AND WIFE	KENYON ENERGY, LLC	11-0000153.000 11-0000153.001	015N-005W, 36 015N-005W, 36	CARROLL	ОН	EAST EAST	8/17/2010	62/1818
	MERCH ROBERT BRINKER, III AND SHERILYNN BRINKER, HUSBAND AND WIFE	KENYON ENERGY, LLC	11-0000153.000 11-0000153.001	015N-005W, 36 015N-005W, 36	CARROLL	ОН	EAST EAST	8/17/2010	63/1262
	LINDA JOYCE AND ROBERT CROUSE, HUSBAND AND WIFE	KENYON ENERGY, LLC	11-0000153.000 11-0000153.001	015N-005W, 36 015N-005W, 36	CARROLL	ОН	EAST EAST	8/17/2010	62/1822
34-000546-005	LINDA JOYCE CROUSE F/K/A LINDA J. GRIMM AND ROBERT CROUSE, WIFE AND HUSBAND	KENYON ENERGY, LLC	11-0000153.001	015N-005W, 36	CARROLL	ОН	EAST	8/17/2010	63/1235

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PATRICIA OVER SELECTION OF THE SECOND SELECTION OF THE

201200003777
Filed for Record in
CARROLL COUNTY, OHIO
PATRICIA J. DYER, RECORDER
05-04-2012 At 10:50 am.
ASSIGN LEAS 19780.00
OR Book 82 Page 2502 - 2834

4321

### ASSIGNMENT, BILL OF SALE AND CONVEYANCE

STATE OF OHIO §
COUNTY OF CARROLL §

THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE (this "Assignment"), dated effective as of November 1, 2011 at 7:00 a.m. Central Time (the "Effective Time"), is made by CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, with a notice address of 6100 North Western Avenue, Oklahoma City, Oklahoma 73118 ("Assignor"), to TOTAL E&P USA, INC., a Delaware corporation, with a notice address of 1201 Louisiana, Suite 1800, Houston, Texas 77002 ("Assignee"). This Assignment is executed and delivered in connection with and pursuant to the terms of that certain Purchase and Sale Agreement dated December 30, 2011 (the "Agreement"), by and among Assignor, EnerVest Energy Institutional Fund IX, L.P., EnerVest Energy Institutional Fund XI-WI, L.P., EnerVest Energy Institutional Fund XI-WI, L.P., CGAS Properties, L.P., Belden and Blake Corporation, and Assignee.

- 1. Assignment. For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN, TRANSFER, SET OVER AND DELIVER unto Assignee, the Assignee's Proportionate Share (as hereinafter defined) of all of Assignor's (including the right, title and interest of Chesapeake AEC Acquisition, L.L.C. and Ohio Buckeye Energy, L.L.C., each of whom has been merged into Assignor) and its Affiliates' right, title and interest as of the Effective Time (or, with respect to the Contract PSA Leases, as of December 30, 2011 (the "Closing Date")) in and to the following in the Utica Area (but excluding Assignor's Excluded Assets) subject to the terms and reservations hereof:
- 1.1 All oil, gas and mineral leases, leasehold interests, operating rights, working interests and net revenue interests, and other rights to crude oil, natural gas, casinghead gas, condensate, sulfur, natural gas liquids, and other gaseous hydrocarbons (collectively, "Hydrocarbons"), including those interests and rights described in Exhibit "A" attached hereto and made a part hereof, which are owned by (i) Assignor (including the right, title and interest of Chesapeake AEC Acquisition, L.L.C. and Ohio Buckeye Energy, L.L.C., each of whom has been merged into Assignor) or any of its Affiliates as of the Effective Time or (ii) Assignor (including the right, title and interest of Chesapeake AEC Acquisition, L.L.C. and Ohio Buckeye Energy, L.L.C., each of whom has been merged into Assignor) or any of its Affiliates with respect to the Contracted PSA Leases as of the Closing Date, in each case, whether producing or non-producing; and the lands covered by the leases and interests, including those described in Exhibit "A" even though such rights might be omitted from or incorrectly described on Exhibit "A" (collectively, the "Lands");

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- Owned well heads, casing, tubing, pumps, motors, gauges, valves, heaters and treaters constituting part of or connected to the Wells or located on the PSA Leases, (iii) Lease Owned automation equipment constituting part of or connected to the Wells or located on the PSA Leases, (iv) all Lease Owned gathering lines and improvements, water lines, vessels, tanks, boilers, separators, treating equipment, compressors and other equipment used in connection with the Wells or PSA Leases, (v) all Lease Owned power lines, telephone and communication lines used in connection with the Wells or PSA Leases, (vi) all Lease Owned injection wells and water disposal facilities, and (vii) all other Lease Owned appurtenances owned and used in connection with the production, treating, storing, transportation or marketing of Hydrocarbons from the Wells or PSA Leases (the property described in subsections (ii) through (vii) of this subpart 1.2 being collectively, the "Equipment");
- 1.3 All presently existing unitization, pooling and/or communitization agreements, declarations or designations and contractually, statutorily, judicially or administratively created drilling, spacing and/or production units, insofar as the same are attributable or allocated to the Lands, and all of Assignor's and its Affiliates' interest in and to the properties covered or units created thereby (collectively, "Unitization Acreage");
- All presently existing and valid Hydrocarbon sales agreements, operating agreements (excluding any operating rights or duties), gathering agreements, transportation agreements, farmout and farmin agreements, unitization, pooling and communitization agreements, purchase agreements, exploration agreements, area of mutual interest agreements, exchange and processing contracts and agreements and any other contracts, agreements and instruments insofar as the above agreements cover, are attributable to or relate to the Lands or the Wells or any interests pooled, communitized or unitized therewith, including those contracts and agreements described on Exhibit "C-1" attached to the Agreement (collectively, the "Contracts");
- 15 All Hydrocarbons in, on, under or produced from or attributable to the Lands or the Unitization Acreage from and after the Effective Time and the proceeds thereof and inventory purchased from Assignor or its Affiliates pursuant to Section 2.5(a) of the Agreement;
- 1.6 All easements, surface leases, servitudes, rights of way and all other rights and appurtenances situated on or used in connection with the production of Hydrocarbons from the Lands or the Unitization Acreage, including leases, easements or rights-of-way with respect to surface fee interests included in Assignor's Excluded Assets and (i) used or held for use for the location of or access to Wells or Equipment or (ii) necessary for the development or operation of any of the Properties (collectively, the "Easements");
- 1.7 Subject to the rights and restrictions of Third Parties, copies of Assignor's books, records and files, including all Contracts and any and all title files, lease files, land files, wells files, including Geological and Geophysical Information which is not an Excluded Asset of Assignor and which is not covered by the Seismic License delivered by Assignor to Assignee on the Closing Date, well logs and other well data, maps, division order files, abstracts, production files, technical, engineering and maintenance files, environmental and safety records and information to the extent related to the items listed in subparts 1.1 through 1.6 hereof, and, to the extent available, in an industry standard or already existing electronic format as reasonably requested by Assignee, excluding, except to the extent of current ad valorem and severance Tax returns, accounting and tax records for all periods prior to the Effective Time; and
- 1.8 Rights and interests in proceeds under any policy or agreement of insurance or rights and interests under any agreement of indemnity (including any rights, claims or causes of action of Assignor or its Affiliates against Third Parties under any indemnities or hold harmless agreements and any indemnities received in connection with Assignor's or its Affiliates' prior acquisition of any of the Properties) to the extent and only to the extent such rights and interests relate to losses, damages, claims, liabilities, debts, obligations or expenses that are Assumed Obligations under the Agreement.

All rights, titles and interests transferred and assigned to Assignee pursuant to this Section I being collectively called the "Conveyed Interests". It is the intent of Assignor to convey and this Assignment hereby conveys to Assignee, subject to the reservations and conditions herein contained, the Conveyed Interests, regardless of errors in description, any incorrect or misspelled names, or any transcribed or incorrect recording references. As used in this Assignment, the term "Assignee's Proportionate Share" shall mean an undivided 89.2857%.

TO HAVE AND TO HOLD all and singular the Conveyed Interests together with all rights, titles, interests, estates, remedies, powers, and privileges thereunto appertaining unto Assignee and Assignee's successors and assigns forever.

- 2. <u>Development Agreement</u>. The Conveyed interests are subject to the Development Agreement.
- 3. Special Warranty of Defensible Title. Assignor does hereby bind itself and its successors and assigns to warrant and forever defend all and singular Defensible Title to the Conveyed Interests unto Assignee and Assignee's successors and assigns, against every Person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under Assignor, but not otherwise. This special warranty of Defensible Title will continue after the delivery of this Assignment for a period of five (5) years and shall thereafter be of no further force or effect except with respect to any claim under such special warranty of Defensible Title that has been asserted prior to the end of such five (5) year period, which shall survive until such claim with respect thereto is resolved. The intended effect of such termination is to bar, from and after the date of termination, any claim or cause of action with respect to such special warranty of Defensible Title. Further, Assignee is specifically assigned, and subrogated to, the rights or actions on title warranties given or made by Assignor's or its Affiliate's predecessors in title, with respect to the Conveyed Interests and to the extent Assignor may legally assign such rights and grant such subrogation.
- Special Retained Liabilities. Reference is hereby made to that certain (i) Amended and 4. Restated Royalty Agreement dated as of December 1, 2011, by and among Assignor, CHK Utica, L.L.C. ("CHK Utica"), Chesapeake Appalachia L.L.C., Chesapeake AEC Acquisition, L.L.C., Ohio Buckeye Energy, L.L.C. (collectively, the "Chesapeake Parties") and Utica Royalty Partners, LP (the "Royalty Company I") and (ii) Royalty Agreement dated as of December 1, 2011, by and among the Chesapeake Parties and Utica Royalty Partners II LP ("Royalty Company II" and such agreements collectively, the "Royalty Agreements"). Assignor does hereby acknowledge and agree that the Conveyed Interests shall not be burdened by the Royalty Agreements or any overriding royalty interests or other rights granted to the Royalty Company I or Royalty Company II pursuant thereto, including, without limitation, the overriding royalty interests and other rights assigned pursuant to the Conveyances of Overriding Royalty Interest described in Exhibit "B" attached hereto (collectively, the "Special Retained Liabilities"), and that such interests and rights shall exclusively burden and be carved out of Assignor's rights, titles and interests in the Properties that do not constitute Conveyed Interests. Furthermore, Assignor does hereby agree to pay, defend, indemnify, reimburse and hold harmless Assignee for, from and against any loss, damage, diminution in value, claim, liability, debt, obligation or expense (including interest, reasonable legal fees, and expenses of litigation and attorneys fees in enforcing this indemnity) incurred, suffered, paid by or resulting to Assignee and which result from, arise out of or in connection with, is based upon, or exist by reason of, any claims made against Assignee pursuant to or on account of the Royalty Agreements or the Special Retained Liabilities.

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### 5. Limitations on Representations and Warranties.

- EXCEPT FOR THE EXPRESS AND SPECIFIC REPRESENTATIONS AND WARRANTIES OF ASSIGNOR IN THE AGREEMENT AND ASSIGNOR'S CERTIFICATE DELIVERED AT CLOSING PURSUANT THERETO AND EXCEPT FOR THE SPECIAL WARRANTY OF DEFENSIBLE TITLE CONTAINED IN THIS ASSIGNMENT, ASSIGNEE ACKNOWLEDGES THAT ASSIGNOR HAS NOT MADE, AND ASSIGNOR HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY EXPRESSLY WAIVES, ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE RELATING TO (i) PRODUCTION RATES, RECOMPLETION OPPORTUNITIES, DECLINE RATES, GAS BALANCING INFORMATION, OR THE QUALITY, QUANTITY OR VOLUME OF THE RESERVES OF HYDROCARBONS, IF ANY, ATTRIBUTABLE TO THE PROPERTIES, (ii) THE ACCURACY, COMPLETENESS OR MATERIALITY OF ANY RECORDS, INFORMATION, DATA OR OTHER MATERIALS (WRITTEN OR ORAL) NOW, HERETOFORE OR HEREAFTER FURNISHED TO ASSIGNEE BY OR ON BEHALF OF ASSIGNOR, AND (iii) THE ENVIRONMENTAL CONDITION OF THE PROPERTIES.
- 5.2 EXCEPT FOR THE EXPRESS REPRESENTATIONS WARRANTIES OF ASSIGNOR IN THE AGREEMENT AND ASSIGNOR'S CERTIFICATE DELIVERED AT CLOSING PURSUANT THERETO AND EXCEPT FOR THE SPECIAL WARRANTY OF DEFENSIBLE TITLE CONTAINED IN THIS ASSIGNMENT, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ASSIGNOR EXPRESSLY DISCLAIMS AND NEGATES, AND ASSIGNEE HEREBY WAIVES, AS TO PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES CONSTITUTING A PART OF THE PROPERTIES, ANY IMPLIED OR EXPRESS WARRANTY MERCHANTABILITY, (ii) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (iii) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (iv) ANY RIGHTS OF PURCHASERS UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION OR RETURN OF THE PURCHASE PRICE, (v) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM DEFECTS, WHETHER KNOWN OR UNKNOWN, (vi) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW, AND (vii) ANY IMPLIED OR EXPRESS WARRANTY REGARDING ENVIRONMENTAL LAWS, THE RELEASE OF SUBSTANCES, WASTES OR MATERIALS INTO THE ENVIRONMENT, OR PROTECTION OF THE ENVIRONMENT OR HEALTH, IT BEING THE EXPRESS INTENTION OF ASSIGNEE AND ASSIGNOR THAT THE PERSONAL PROPERTY, EQUIPMENT, INVENTORY, MACHINERY AND FIXTURES IN WHICH ASSIGNOR HAS ANY INTEREST ARE BEING ACCEPTED BY ASSIGNEE, SUBJECT TO THE TERMS OF THE AGREEMENT, "AS IS, WHERE IS, WITH ALL FAULTS" AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR.
- 5.3 ASSIGNOR AND ASSIGNEE AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN WARRANTIES CONTAINED IN THIS SECTION 5 ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.

### 6. Miscellaneous.

6.1. <u>Cooperation</u>. In addition to this Assignment, Assignor shall execute, acknowledge, and deliver to Assignee, in a timely manner and without further consideration, any documents or instruments that Assignee may reasonably require, including, without limitation, further assignments or conveyances required by any state or federal authority, deeds, and consents to further evidence the assignment and conveyance of the Conveyed Interests by Assignor to Assignee.

- 6.2. Counterparts. This Assignment may be executed in multiple counterparts, each of which will be an original instrument, but all of which will constitute one instrument; provided, however, that to facilitate recording or filing of this Assignment, each recorded or filed counterpart may contain only a portion of Exhibit "A" as provided in Section 6.4 of this Assignment.
- 6.3. <u>Successors and Assigns</u>. This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.
- 6.4. Recording of Assignment. To facilitate recording or filing of this Assignment, the counterpart filed with a county agency or office may contain only that portion of Exhibit "A" that describes property under the jurisdiction of that agency or office. Assignor, on the one hand, and Assignee, on the other hand, have each retained a counterpart of this Assignment containing a full description of all of the Conveyed Interests.
- 6.5. <u>Capitalized Terms</u>. Except as otherwise defined herein, all capitalized terms used in this Assignment which are defined in the Agreement will have the same meanings herein as defined in the Agreement; *provided*, *however*, *that*, notwithstanding any provision of this Assignment, CHK Utica will not be considered an "Affiliate" of the Assignor for purposes of this Assignment.
- 6.6. <u>Conflicts</u>. If there is a conflict between the provisions of the Agreement and this Assignment, the provisions of the Agreement shall control.
- 6.7. Choice of Law. THIS ASSIGNMENT AND THE LEGAL RELATIONS AMONG THE PARTIES SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO.
- 6.8. Arbitration. Any disputes, claims, counterclaims, demands, causes of action, controversies and other matters in question between the parties hereto arising out of or relating to this Assignment or the alleged breach hereof, regardless of whether (a) allegedly extracontractual in nature, (b) sounding in contract, tort or otherwise, (c) provided for by Law or otherwise, or (d) seeking damages or any other relief, whether at Law, in equity or otherwise, shall be resolved through final and binding arbitration in accordance with Section 13 of the Agreement, the terms of which are incorporated by reference as if set out in full herein.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of Assignor and Assignee has executed this instrument on the date of its respective acknowledgment annexed hereto, but effective for all purposes as of the Effective Time.

## ASSIGNOR:

CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company

By: Douglas J. Jacobson

Executive Vice President

### ASSIGNEE:

TOTAL E&P USA, INC. a Delaware corporation

Vice President Business Development & Strategy

This instrument was prepared by:

Jeremy A. Mouton Commercial Law Group, P.C. 5520 North Francis Avenue Oklahoma City, OK 73118

Instrument Book Pase 201200003777 DR 82 2509

# ASSIGNEE ACKNOWLEDGMENT

STATE OF OKLAHOMA §
COUNTY OF OKLAHOMA §

This instrument was acknowledged before me on this 30<sup>th</sup> day of December, 2011, by Fabien Colmet Daage, as Vice President Business Development & Strategy of Total E&P USA, Inc., a Delaware corporation, as the act and deed and on behalf of such corporation.

Notary Public

My Commission Expires: 6:115
Commission Number: 5:20595

# 03008905 EXP. 06/11/15

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### EXHIBIT "A"

Attached to and made a part of that certain Assignment, Bill of Sale and Conveyance dated effective November 1, 2011 from Chesapeake Exploration, L.L.C., as Assignor to Total E&P USA, Inc., as Assignee

쯈	Lease No	Lessor	Lessee	Lease Date	Township	County	State	Book	Page	Entry
nstrument 11200003777	34-000066-000	GORDON V ISENHOUR AND PATRICIA R ISENHOUR, HUSBAND AND WIFE	KENYON ENERGY LLC	7/27/2010	FOX	CARROLL	ОН	62	150	201000002892.
	34-000075-000	ROBERT A. MOSER	KENYON ENERGY, LLC	5/14/2010	AUGUSTA	CARROLL	ОН	60	1511	201000001863
	34-000082-000	RONALD P. PERDUE AND HELEN E. PERDUE, HUSBAND AND WIFE	KENYON ENERGY, LLC	6/15/2010	WASHINGTON	CARROLL	ОН	61	959	201000002391
	34-000086-000	RICHARD POWELL, A WIDOWER	KENYON ENERGY, LLC	7/22/2010	CENTER	CARROLL	ОН	61	2348	201000002698
	34-000087-000	REPELLA INVESTMENTS, LLC	KENYON ENERGY, LLC	5/14/2010	UNION	CARROLL	OH	60	1519	201000001865
	34-000101-000	HOWARD W SPAHR AND DONNA L SPAHR, HUSBAND AND WIFE	KENYON ENERGY LLC	7/29/2010	CENTER	CARROLL	OH	61	2604	201000002766
	34-000105-000	THEODORE R. SUMMER, JR. AND KAZUKO SUMMER, HUSBAND AND WIFE AND TRUSTEES OF THE SUMMER FAMILY REVOCABLE LIVING TRUST	KENYON ENERGY, LLC	7/26/2010	WASHINGTON	CARROLL	ОН	61	2364	201000002701
		LEONARD A. LATTIN AND VERONICA S. LATTIN, HUSBAND AND WIFE	KENYON ENERGY, LLC	7/14/2010	PERRY	CARROLL	ОН	61	2353	201000002699
		RICHARD L TOALSTON AND LAURA TOALSTON, HUSBAND AND WIFE	KENYON ENERGY, LLC	6/5/2010	EAST	CARROLL	ОН	61	578	201000002313
		LONNIE D. LUCAS AND JENNIFER M. LUCAS, HUSBAND AND WIFE	KENYON ENERGY LLC	7/14/2010	CENTER	CARROLL	ОН	61	2359	201000002700
		MARK R. FRITZ AND MICHELLE E. FRITZ, HUSBAND AND WIFE	KENYON ENERGY, LLC	7/27/2010	AUGUSTA	CARROLL	ОН	62	176	20100002896
	34-000127-000	FRITZ DAIRY FARMS, LLC	KENYON ENERGY, LLC		AUGUSTA WASHINGTON	CARROLL	ОН	62	163	201000002894
	34-000131-000	WARREN H. WEFLER, A SINGLE MAN	KENYON ENERGY, LLC	5/17/2010	AUGUSTA	CARROLL	ОН	60	1515	201000001864

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